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# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

July 13, 1999  
Special Meeting  
9:00 A.M.



ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

LARRY MAZZOLA  
Vice President

MICHAEL S. STRUNSKY

LINDA S. CRAYTON  
CARYL ITO

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Airport Director

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Minutes of the Airport Commission Special Meeting of  
July 13, 1999

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# AIRPORT COMMISSION SPECIAL MEETING MINUTES

July 13, 1999

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Larry Mazzola, Vice President  
Hon. Michael S. Strunsky  
Hon. Linda S. Crayton  
Hon. Caryl Ito

Absent: Hon. Henry E. Berman, President

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of June 15, 1999 were adopted unanimously.

No. 99-0222

\* \* \*

## D. SPECIAL ITEM:

### 1. Retirement Resolution for Mr. Richard McGrath

No. 99-0223

Mr. John Martin, Airport Director said that Mr. McGrath is retiring after 12-½ years of service to the Airport as a plumber.

\* \* \*

## E. DIRECTOR'S REPORTS:

### 2. Master Plan Construction Traffic Operations - Six Month Report

Mr. Edwin Leung, Assistant Deputy Director, Landside Operations explained that since the beginning of the Master Plan construction the Commission has received bi-annual updates on the impact construction has had on the roadways.

Overall, traffic has operated well in light of the intensity of the construction.



Injury accidents have been reduced. Construction hours have been modified to begin at 1:00 AM and end at 10:00 AM. Lane No. 2 on the lower level has been restricted to taxis and scheduled buses.

The following five areas will be reviewed for the last six months.

1. AirTrain Long Span Girder installation at the South Terminal. Between midnight and 5:00 AM the upper level is closed and traffic is detoured to the lower level. For the period of construction, we have to close two of the four lanes at the entrance of the upper level roadway.
2. Repair of Upper Level Viaduct. This has been delayed until July 2000.
3. Construction of the Vehicle Bridge Connecting the North and South Garage. This requires the relocation of the T-1 turn-around about 150 feet east. It will be back to its original location in about two weeks.
4. Construct Vehicle Bridge. The installation of the International Terminal soffit work will require a reduction of the verticle clearance 12'6" at the approach of the upper level roadway. All of the over-height vehicles are being diverted to the lower level.
5. Utilities, Curbs and Gutter Work. This work has been delayed until September.

The following areas are summarized for the next six months.

1. Reduction of Verticle Clearance Underneath the International Terminal. This work will continue on the upper level through September. The lower level will be worked on between September and December of this year.

All over-height vehicles will be diverted to the entrance of the alternate level.

2. Installation of the Long Span Girder. This will require closure of the inner road in front of United Airlines, after Labor Day. Traffic will be diverted to the outer roadway.
3. Demolition of Pedestrian Bridges E and F: Demolition of the pedestrian bridge F will occur in September and E will occur in December between the hours of midnight and 5:00 AM. This will require closure of the upper level at the entrance. Traffic will be diverted to the lower level.
4. Install Parking Tower Vehicle Bridge: The installation of the Long Span will occur next week and will go on for about two weeks. This will require either the closure of the inbound road or the outbound road. When the inbound road is closed between midnight and 5:00 AM, traffic will be diverted to the south link road. When the outbound road is closed between midnight and 5:00 AM, traffic will be diverted to the north link road.
5. Install Curbs and Gutters at New Ticket Plaza: The curb and gutter work will



begin in September and will not require any detours.

6. Install New Freeway Flyovers: This work will begin in mid July for approximately three weeks and will be done between midnight and 5:00 AM. Either southbound 101 or northbound 101 will be closed. When southbound Highway 101 is closed, traffic will be diverted onto I-380, El Camino Real, and Millbrae Avenue. When northbound Highway 101 is closed, traffic will be diverted to Millbrae Avenue East and South McDonnell Road.
7. Reopen Southbound US 101 San Bruno Avenue Off-Ramp: This will be completed in September. It will help traffic entering the Rental Car Center.
8. Widen West Field Road - 3 Lanes to 4 Lanes: This work will occur in September.
9. Install AirTrain Falsework over West Field Road: This work will occur in August between 10:00 PM and 6:00 AM. Detours will not be required.
10. Remove AirTrain Falsework and Reconstruct Road: The new South McDonnell Road/South Link Road will be realigned in November 1999, following the removal of the AirTrain falsework over South McDonnell Road. This work will be done between 10:00 PM and 5:00 AM. Detours will not be required.
11. Realign South McDonnell Road Eastward and Narrow from 4 to 2 Lanes: This work will accommodate construction of a new freeway on-ramp from Millbrae Avenue to northbound Highway 101 and a new freeway off-ramp from northbound Highway 101 to the Airport.

Public Parking (Long Term): There are currently 5,500 spaces as compared to 3,400 spaces prior to the Master Plan construction program.

Spaces in the garage have been reduced from 6,360 to 5,600, a loss of approximately 700 spaces. We expect to regain most of those spaces once construction has been completed.

Garage DD (employee parking) will be completed in December 1999. Shuttle buses will be provided to serve this lot.

Landside is committed expediting the Master Plan Construction Program and moving the traffic as efficiently as possible, while at the same time providing the optimum level of public service, safety and security to the public.

We have achieved a 20% reduction in injury accidents. There were 35 accidents in FY 1997/98 compared to 48 accidents in the previous year.

We have reduced vehicle speed on McDonnell Road to 30MPH.

Commissioner Strunsky noted that this next year will be a test of the planning and progress. So far it has gone very well. He hoped that Mr. Leung's record will hold.





Mr. Leung noted that some of the projects have been delayed to September to avoid impact on summer traffic.

Mr. Martin said that the Duty Managers work closely with Mr. Leung and the construction team. On bad weather days that result in a number of late arriving flights, we may order the construction crews to delay activity for an hour or two. On peak days, such as the July 4th weekend, roadwork was cancelled altogether. We do try to allow flexibility to make last minute changes based on traffic levels.

Commissioner Crayton noted that the data on accidents is based on injuries and asked if overall non-injury accident rates have been reduced as well.

Mr. Leung responded that his staff compared the last three years and there has been a reduction since the beginning of the Master Plan construction. This is primarily due to the fact that construction tends to slow down traffic, although police enforcement has been increased as well. We are just beginning to receive the accident data for 1998/99.

\* \* \*

#### F. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

#### G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 3 and 4 were adopted unanimously.

##### 3. Modifications No. 4, 5 and 6 to Contract 5510E - New Boarding Area A General Construction - Hensel Phelps Construction Co. Inc. - \$7,547,832

No. 99-0224

Resolution approving Modification Nos. 4, 5 and 6 to Contract 5510E, New Boarding Area A General Construction, Hensel Phelps Construction, in the total amount of \$7,547,832 for work related to concession revisions, transferred scope from other projects, design changes to facilitate construction, and unanticipated conditions. Funding sources are budget transfers from other projects, capital improvement funds and contract contingency budget with no impact to the Master Plan Baseline Budget.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that this modification is a compilation of changes grouped for administrative reasons in the three contract modifications, and triggered by scope and budget transfers from other projects, concession related revisions, design changes to facilitate construction and changes due to unanticipated conditions.



As detailed in your agenda package, the funding sources are the Airport's Capital Improvement Program budget, transfers from other contracts and contract contingency, all of them budgeted.

All of the changes have been reviewed and approved by the Master Plan Technical Advisory Board and the cost impacts have been included in our budget forecasts to the Commission as part of the quarterly reports during last year.

The base contract's MBE/WBE participation goals of 12.3%/2.2% respectively will remain unchanged.

4. Modification No. 6 to Contract 5520E - Boarding Area G General Building Construction - Tutor-Saliba Corp./Perini Corp./Buckley & Company - \$1,548,019

No. 99-0225	Resolution approving Modification No. 6 to Contract 5520E, Boarding Area G General Building Construction to Tutor-Saliba Corp/Perini Corp/Buckley & Co., in the amount of \$1,548,019 for Airline revisions, VIP Lounge, transferred scope, and unanticipated conditions. Funding sources are Security and Special Systems, Capital Improvement Program, Management Reserve, and construction contingency.
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Mr. Kardos explained that this modification is similar to the previous item and is a compilation of negotiated changes comprising scope transfers, changes triggered by airline-initiated revisions, a new VIP lounge installation and unanticipated site conditions.

As detailed in your agenda package, the funding sources are the Airport's Capital Improvement Program budget, transfers from other contracts, contract contingency, and management reserve.

All of the changes have been reviewed and approved by the Master Plan Technical Advisory Board. The costs have been included in the cost forecasts presented to the Commission previously in our quarterly reports. This Commission action formalizes those forecasted changes.

Commissioner Crayton expressed concern over some of the modifications made for Tutor-Saliba.

Mr. Kardos responded that these are conditions that occur as the construction proceeds and cannot be absolutely covered in the design. They are not out of line. They are part of the risk of the construction being executed.

Commissioner Strunsky noted that Boarding Area G is within three to four months of completion and asked if significant additional changes are ahead.

Mr. Kardos responded that there will be some changes but we are more or less



there. The project is basically within budget.

Commissioner Strunsky noted that we are near completion of the project and only 49% of the contingency has been used. He congratulated Mr. Kardos.

\* \* \*

#### H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 5 through 10 and 12 and 13 were adopted unanimously. Item No. 11 was put over.

5. Award Professional Services Contract Geotechnical and Miscellaneous Engineering Studies - Airfield Development Engineering Consultant, A Joint Venture - \$7,000,000

No. 99-0226	Resolution awarding Professional Services Contract to Airfield Development Engineering Consultant, A J.V. of Fugro West, Inc. and Moffatt & Nichol Engineers, Inc., for the Airfield Development Program, Geotechnical, Foundation, Hydraulics, Bathymetry, Sedimentation and Hazardous Material Studies, in the amount not to exceed \$7,000,000 for Phase I work.
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Ms. Peg Divine, Deputy Director, Airfield Development explained that this contract is for geotechnical studies, foundation studies, hydraulic studies, bathymetry, sedimentation and hazardous material studies.

The selection process consisted of individual ratings of the proposals and interviews by a panel of six, which included a member from outside the Airport. An HRC representative monitored the interviews and acted as time keeper to assure a fair process. No discussion of ranking occurred until after the six members had submitted their individual scores.

In order to assess the impacts to fish and wildlife, data on the changes in water flow, in sedimentation rates and patterns and in water chemistry caused by the project will be required. In order to calculate and model flow, sedimentation rates and sedimentation patterns with and without the proposed program, we must determine whether the runway should be constructed on piles, on sheet pile contained fill, rock contained fill or a floating structure.

Locations of construction materials to be used and the hauling routes must be identified in the EIR and EIS. To develop life cycle costs for each alternative construction method, we will need to know the pile lengths and whether some of the sediments need to be removed before placing new material.

To select the best method of construction, we need sufficient numbers of soil borings and cone penetrometer tests during this planning phase to develop



accurate information for selection of alternatives. Selecting the best method of construction can save considerable construction cost and reduce impacts to the environment.

The clay soil in the Bay changes both chemical and physical properties when dry. This affects the tested strength of the soil. On the Bay Bridge, on-barge labs and down hole real time data were used. The soil strength tested 40% to 50% higher than the same soils shipped to on-shore facilities, re-wetted and tested. The ability to use the greater strength in our design will result in considerable savings in construction costs as predicted to do so on the Bay Bridge.

Deep borings are required to establish the location and nature of the bedrock for calculating earthquake forces accurately. The cost for the similar phase of work by Fugro on the Hong Kong airport project was 0.8% of the construction cost. The cost for this phase of work by Fugro on the Bay Bridge was 1.3% of the estimated construction cost. On-going work by Fugro at the Port of Oakland between Pier 5 and the North Marginal Wharf is expected to be ½ to 1% of the construction cost.

The base cost of this contract is approximately \$6 million, less than ½ percent of the construction cost. About \$3.5 million is for marine borings, marine sedimentation, chemistry and hazardous material investigation. The remainder is for circulation and sedimentation studies and structural engineering for all construction types.

Additional foundation planning work will be required once we know the type of construction we will use. This will allow us to complete the EIR and EIS, so we will come back to the Commission for phase 2 of this contract.

Commissioner Ito asked about the time line for phase 1.

Ms. Divine responded that it is 120 days for the final report. We will have a lot of information at the 90 day point.

Commissioner Strunsky asked when that will start, assuming it is approved today.

Ms. Divine responded that insurance certificates need to be obtained (special insurance is required when you are out at sea) and it must go to the Controller's Office. We will move as fast as we can, but we are probably looking at a minimum of five to 10 days.

Commissioner Strunsky assumed that within six months staff will return to the Commission with a proposed system based on the results of this contract.

Ms. Divine responded that there will be an interface between the environmental contract and this one. Both our construction and our mitigation project will effect the sedimentation and circulation in the Bay. This is a key concern of environmental groups. They want to know how much our mitigation will help. There may be some interplay between the Bay-wide concerns, environmental concerns and specific concerns as to how we are building our runways.





Commissioner Crayton asked Ms. Divine if she worked with HRC to establish these goals.

Ms. Divine responded that she did. There is some on-land soil exploration that will be done by minority businesses. Unfortunately, there are not a lot of minority or women-owned companies that own barges. There aren't a lot of companies that have the unusual off-shore expertise that we are looking for. The same with the circulation and sedimentation, and the design of marine structures. She knows of no women or minority naval architects.

Commissioner Crayton assumed that we have exhausted measures to locate any existing companies.

Ms. Divine responded that they have called all of the companies in the directory.

6. Award of Contract 4219 - Upgrade to Computerized Parking Control System in the Central Garage and Lot D - Ascom-Trindel, Inc. - \$704,867

No. 99-0227	Resolution awarding Contract 4219 to enhance upgrade the Computerized Parking Control System in the Central Garage and Lot D to Ascom-Trindel, Inc., in the amount of \$704,867.
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Mr. Steve Gordon, Airport Parking Manager explained that in November of last year the Commission approved Contract No. 5670 which was for computerized parking control equipment. That procurement includes a new central computer and server that will govern all of the revenue parking control equipment in facilities throughout the Airport, including the existing Central Garage and Lot D.

This item will upgrade the equipment in the Central Garage and Lot D to the same level of sophistication that we are procuring for the new International Terminal garages. It will provide significantly faster transaction times ... a minimum of 30-40%, a much more robust data base and much more powerful reporting functions. The system is also modular and much easier and cheaper to modify and upgrade.

Commissioner Strunsky asked if the system will provide the capability to advise people to park in either the new north or south parking garages when the central garage is full.

Mr. Gordon responded that this item is limited to the equipment contained in the cashier booths ... it is the cashier equipment, the ticket spitters, the receipt printers and the view screen used by the cashier and seen by the customer.

Mr. Martin added that we are finalizing the signage program on all of the garages and we will be presenting a report to the Commission in the next six months.

Mr. Gordon said that there is a parallel effort to upgrade the data reporting system in the central garage. Some of the traffic loop detectors are not functioning as they were designed to.



Commissioner Strunsky asked if this equipment coordinates the credit card process to expedite payment.

Mr. Gordon said that we are looking at hand held credit card processors. When we have long queues of customers we can position parking attendants in the queue lanes and process transactions while they wait in line. This would be very much like what the rental car companies do when customers return cars.

7. Award of Professional Services Contract for the Development and Implementation of an International Strategic Marketing Alliance with the San Francisco Convention and Visitors Bureau - \$285,000

No. 99-0228

Resolution authorizing a Professional Services Contract with the San Francisco Convention and Visitors Bureau to develop and implement an International Strategic Marketing Alliance for the period July 1, 1999 through June 30, 2000, in the amount \$285,000.

Mr. Peter Nardoza, Deputy Director, Public Affairs explained that this contract will provide a major augmentation to the International Aviation Development program established a year ago. Through this contract with the Convention and Visitors Bureau we will have full time representation in both Quangzhou, China and Tokyo, Japan. Working with the Bureau we will hire Asian firms to represent us and promote our new facilities throughout the region. In addition, the Bureau has agreed to promote the Airport at all of the trade shows they attend throughout the year.

8. Acceptance of Gift of Construction Management Services from Parsons Infrastructure & Technology Group Inc. for the Construction of the Aviation Library, Archive and Museum

No. 99-0229

Resolution accepting a gift of construction management services from Parsons Infrastructure & Technology Group Inc. valued at \$150,000 for the construction of the Aviation Library, Archive, and Museum in the new International Terminal, and awarding a contract for \$1 to provide such services.

Mr. Kardos explained that in October 1991, the Commission authorized the creation of an Aviation Library, Archive and Museum at the Airport.

In June 1998, the Commission accepted a gift of design services from Fong and Chan Architects covering the production of construction bid documents for the project.

This agenda item addresses the associated construction management services



offered pro bono by Parsons Infrastructure & Technology Group, Inc., a well-known construction management firm.

Founded in 1944, Parsons has been involved in the design and management of airport capital programs valued at more than \$120 million at more than 300 airports in 34 countries. Parsons is donating its services to this effort to reaffirm its commitment to the aviation industry.

Construction management costs for comparable projects range from 4% to 6% of the construction value, or \$140,000 to \$210,000 for this \$3.5 million project. Parsons will perform the services for \$1.00. The value of this gift is conservatively estimated at \$150,000. Due to the unusual nature of the contract, no subcontracting goals for M/WBEs has been set. Construction needs to begin in the fall.

Mr. Martin said that he very much appreciates Parsons generosity. This follows Fong and Chan's generous contribution of architectural services for the Museum space. All architectural and construction management services have been donated by these two firms.

Commission Crayton thanked Parsons for its generous donation.

9. Authorization to Issue a Request for Proposals for Professional Services Contract 3606.2 - Environmental Consulting Services for Environmental Laws Compliance Programs

No. 99-0230

Resolution authorizing issuance of a Request for Proposals for Professional Services Contract 3606.2, Environmental Consulting Services for Environmental Laws Compliance Programs.

Mr. Ernie Eavis, Deputy Director for Facilities Operations and Maintenance said that the existing consulting agreement has approximately \$1.5 million remaining in the contract, but to insure continuity and coverage for our environmental services, permission is requested to begin the process to select an environmental consultant for the Airport's on-going operations.

The agreement will be for one year with four one-year options at a cost not-to-exceed \$4 million.

Commissioner Strunsky assumed that this covered environmental issues exclusive of the runway expansion or the Master Plan.

Mr. Eavis responded that the existing contract covers environmental issues that are on-going with the Master Plan. He assumes that the remaining funds will cover any remaining issues with the Master Plan.

The new contract will cover environmental concerns with Boarding Areas B and D and any other environmental concerns that may be on-going with the Airport's





operations once the Master Plan has been completed, or during that transition period. However, it is exclusive of the new runways.

10. Authorization to Issue a Request for Qualifications and Proposals (RFQ/P) for the Airport Hotel Project

No. 99-0231

Resolution approving Hotel Project Specifications and authorizing staff to issue and draft Request for Qualifications and Proposal (RFQ/P) and to conduct a Pre-RFQ/P Conference.

Mr. Gary Franzella, Assistant Deputy Director, Aviation Management explained that this item pertains to the proposed development of an on-Airport hotel on the former Airport Hilton site. This item seeks approval of the hotel project specifications and authorizes issuance of a draft RFQ/P and a pre-proposal conference.

In May, the Commission approved a design/build methodology for the project. That methodology is incorporated in the draft document. Staff has developed an RFQ/P to develop a minimum of a four star rated hotel with 550-650 rooms.

The request for qualifications/proposals will seek responses from experienced hotel operators or a team with an experienced hotelier as the lead entity to design, provide construction management, and operate the hotel.

The Airport will fund 85% of the project with general Airport Revenue Bonds at a cost estimated to be approximately \$111 million. The hotelier will be required to fund 15%. The project will also include an AirTrain station in the complex.

The successful respondent will be provided a 15 year lease, which will include the design/build agreement. The proposed rent will be comprised of three components ... facility rent (equal to 85% of the annual debt service), concession rent (which will be proposed in the submittal with a minimum 8% of gross sales), and a contingency rent (to be proposed in the submittal.)

The Airport will retain jurisdiction and control over operating and financial performance standards which will be incorporated in the lease, and the Design/Build Ordinance requires that the successful respondent comply with Chapter 12 requirements for M/WBE and Equal Benefits. As part of the proposal, the hotelier will be required to submit an M/WBE program which staff will then work with and set specific goals.

Commissioner Crayton, in looking at the minimum qualifications, asked if any thought has been given to the pool of people who might qualify.

Mr. Franzella responded that we are looking for an experienced hotel operator. Some of the hotel entities will have all of these functions in house. The majority will probably have to form a team that will involve an architectural firm, a construction firm, etc. We are looking for the hotelier to be the lead entity.



Mr. Martin said a lot of hotel operators will be interested. This has been identified in a recent survey as one of the best hotel sites in the country from the operators perspective. We have seen a lot of interest in this opportunity.

Commissioner Crayton asked what kind of minority participation this will allow for.

Mr. Martin said that we will require the hotel operator to have an architecture/engineering and construction management team with significant minority/women involvement. Even though the lead firm may not be a minority or woman firm, they will be required for different elements of the hotel design/engineering/CM program. He believes that we will have a high level of participation.

Commissioner Strunsky felt that this is a complete general specification. He hoped that in the specification that goes out that there will be an opportunity for the hotel operators to propose alternates that they feel might benefit the Airport and the operation of the hotel itself.

Mr. Franzella responded that the draft proposal and the pre-proposal conference should obtain that kind of input and allow that kind of flexibility while still setting the general parameters.

Commissioner Ito noted the inclusion of outreach to locally disadvantaged businesses and hoped that the local pool will be expanded.

Item No. 11 was removed from the calendar.

11. Funding of Design Services for the New International Terminal Food and Beverage Program to be Provided by Pacific Gateway Partnership, through its Subcontractor, SZFM Design Studio - \$1,600,000

Resolution authorizing funding of design services for the New International Terminal Food and Beverage Program to be provided by Pacific Gateway Partnership, through its subcontractor, SZFM Design Studio equal to the lesser of the actual receipted costs or \$1,600,000.

12. Semi-Annual Review for Adjusting the Transportation Fee for the Consolidated Bus System at the SFO Rental Car Center

No. 99-0232

Resolution approving adjustment of the transaction fee for the Consolidated Bus System from \$5.00 to \$6.10.

Mr. Marcus Perro, Assistant Deputy Director, Finance Division said that the Commission approved a fee in January 1999 for recompensing the shared cost of transporting rental car customers from the terminals to the rental car center. Included in that approval was a six month adjustment based upon the experience



and expectations of the costs.

The increase from \$5.00 to \$6.10, effective July 15, is necessary because the number of rental car contracts has decreased slightly, resulting in a higher cost per transaction.

The full cost of the customer service program which assists passengers, rental car customers and crowd control has been included. The cost increase for fuel experienced by the entire Bay Area has also been included, as well as the cost of the vehicle trip fee.

Commissioner Strunsky understood that this was a temporary charge until our light rail system was operational.

Mr. Perro responded that it is. This charge will be replaced by a fee for the light rail system.

Commissioner Strunsky asked if that fee will be less.

Mr. Martin responded that it will not. The cost is estimated to be approximately \$10.00 per rider for the light rail system. That could change if we add a new long term parking facility at the Lot DD location. It could drive down the cost per rider.

Commissioner Strunsky asked if this will be a fairly stable cost until the light rail system is on line.

Mr. Perro responded that it may not be stable because it is based on a cost experience scheduled for evaluation every six months. It may go down, but it can also go up. We do not want an excess cash reserve sitting with the trustee that will not be credited back to rental car customers.

13. Authorization to Negotiate a Contract with ShuttlePort/DAJA to Operate the Curbside Management Program

No. 99-0233                      Resolution authorizing Director to negotiate a contract with ShuttlePort/DAJA, a joint venture, to operate the Airport's curbside management program on a year-to-year basis up to a maximum of five years.

Ms. Alice Sgourakis, Manager, Ground Transportation, Landside Operations explained that this item authorizes staff to negotiate a contract with Shuttle Port/DAJA to operate the Airport's Curbside Management Program.

Three proposals were submitted in May. The three proposers were CDS Net, Polaris TTMC, a joint venture and ShuttlePort/DAJA, also a joint venture.

Staff reviewed the proposals and interviews were held. The composite scores for both the written and oral interviews were submitted to HRC for their review and



assignment of MBE/WBE rating discounts.

Based on the scores of the review panel and adjusted by the HRC, ShuttlePort/DAJA received a cumulative score of 92.2, CDS Net received a score of 78, and Polaris TTMC received a score of 75.2.

This contract will run on a year-to-year basis, not to exceed five years.

The negotiation process should take no more than 45 days. Once negotiations are completed, staff will present a recommendation to award the contract. If the negotiations are unsuccessful, staff will submit a recommendation to either negotiate with the second ranked firm, or reissue the RFP.

Mr. Rich Azzolino, representing the California Livery Group, said that they have no opposition to the RFP. He referred to Phase 2 (Page 2 and Page 9, Section 2.3) reflecting limousine operations, and asked that they be involved prior to award so that the wording can be changed to satisfy their needs as an industry. The way it is currently written, it will take away some of the things they do to serve their corporate clients. They would like some representation in this negotiation process before it is finalized to avoid any problems.

Mr. Martin said that meetings will be held with limousine operators before the contract is finalized.

Mr. Barry Toronto, United Taxicab Workers, said that they are pleased and excited about this program. He hoped that this meant a stop to the corruption, and better treatment of passengers and operators. This is a wonderful program and they look forward to completion of the contract negotiations. The cab drivers are looking forward to better management oversight.

As part of the negotiations, he hoped that the employees records and/or complaints received by Landside Operations are transferred to the new contractor. He also hoped that the negotiations of the dispatchers is generous. There needs to be nighttime oversight. He hoped that under this contract the limousines will be more closely monitored for solicitation or simply sitting on the curb. He would also like the new contractor to meet with the cab drivers to hear their concerns and to explain how the contract will be operated.

\* \* \*

#### I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 14 through 24 were adopted unanimously.

14. Award Contract 3979 - Bayfront Park Improvements - Contra Costa Landscaping, Inc. - \$286,920

No. 99-0234

Resolution awarding Contract 3979, Bayfront Park Improvements to Contra Costa Landscaping, Inc., in the amount of \$286,920.





15. Award of Professional Services Contract to Provide Reports on the Status of the Noise Impact Area - BridgeNet Consulting Services International - \$300,000

No. 99-0235                      Resolution authorizing a three-year professional services contract with BridgeNet Consulting Services International to assist the Airport in promptly submitting quarterly reports on the status of the noise impact area and the progress in achieving full compliance with the regulation and in developing and implementing programs to reduce the noise impact area as required under conditions of the variance to the California Noise Standards in an amount not to exceed \$300,000.

16. Renewal of Contract to Operate Airport Information Booth Program - Polaris Research & Development - \$2.1 million

No. 99-0236                      Resolution renewing contract with Polaris Research & Development, Inc., to operate the Airport Information Booth Program for an additional year, effective October 15, 1999 thru October 14, 2000, with an annual budget not to exceed \$2.1 million. This is the fourth of four renewal options.

17. Modification No. 2 to Professional Services Contract for Aircraft Flight Track and Noise Modeling Projects - ATAC - \$108,000

No. 99-0237                      Resolution authorizing Modification No. 2 to Professional Services Contract for Aircraft Flight Track and Noise Modeling Projects in support of the Airport/Community Roundtable, with ATAC to extend the term of the contract by 12 months and increase the dollar amount by \$108,000 for a total amount not to exceed \$198,000.

18. Modification No. 1 to Professional Services Contract 3730 - Regional Airport System Analysis - P&D Aviation Consultants, Inc. - \$76,000

No. 99-0238                      Resolution approving Modification No. 1 to Professional Services Contract 3730, Regional Airport System Analysis, with P&D Aviation Consultants, Inc. in an amount not to exceed \$76,000.

19. Modification No. 1 to Graphic Design Services - Morla Design - \$50,000



No. 99-0239

Resolution authorizing Modification No. 1 to Graphic Design Services Contract with Morla Design for the Airport Commission 2000 Calendar in an amount not to exceed \$50,000.

20. Authorization to Issue a Request for Proposals for a Creation of a New Airport Information "You Are Here" Map

No. 99-0240

21. Bid Call - Contract No. 4220 - West Field Road (Road 6) Electrical Improvements

No. 99-0241

Resolution approving the scope, budget, and schedule for Contract 4220, West Field Road (Road 6) Electrical Improvements, and to authorize the Director to call for bids when ready.

22. Six-month Trial of Portable Digital Video Disc (DVD) Player and Film Rental Service By InMotion Pictures

No. 99-0242

Resolution authorizing a six-month trial of portable Digital Video Disc (DVD) player and film rental service by InMotion Pictures.

23. Reimbursement to Host International, Inc. for Unforeseen Conditions in the North Terminal Restroom Renovation Project - Not-to-exceed amount of \$22,000

No. 99-0243

Resolution approving the reimbursement to Host International, Inc. for unforeseen conditions in the North Terminal restroom renovation project at a not-to-exceed amount of \$22,000.

Commissioner Strunsky did not understand why the contractor's insurance did not take care of this item. He felt that this was out of line.

Mr. Eavis responded that he believed that it was not covered by the contractor's insurance because it was an unforeseen condition. The sewer line that was hit was not supposed to be in that location. Mr. Eavis said that he will follow up with a memorandum to the Commission.

24. Ratification of the Settlement of Unlitigated and Litigated Claims of \$10,000 and Less

No. 99-0244

Resolution to ratify the settlement of unlitigated and litigated claims for Fiscal Years 1996-1997,



24. Ratification of the Settlement of Unlitigated and Litigated Claims of \$10,000 and Less

No. 99-0244

Resolution to ratify the settlement of unlitigated and litigated claims for Fiscal Years 1996-1997, 1997-1998 and 1998-1999 amounting to \$205,569.78.

\* \* \*

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

Mr. Barry Toronto, United Taxicab Workers said that he was sorry to read the Matier and Ross item regarding a passenger's problems in getting home. The Airport needs to provide Police Service Aides late at night during the upper level closures. The aides are not there at 1:00 AM.

There is only one flight between 2:00 and 3:00 AM. Cabs are required to remain in the garage until 3:00 AM. As a result, 40 or 50 cabs end up leaving the Airport at 3:00 AM with no passengers. There should be an open lot at 2:00 AM, with a certain number of cabs required to be at the stand. The remaining cabs should be released.

He thanked the Commission for restricting the outer curb to buses and taxis. The smoothness of the operation is unbelievable.

He thanked Joe Martin, Dan Wong, Alice Sgourakis and Edwin Leung for making this happen. It has made an enormous difference.

The space in the overflow lot ... during high demand at the Airport and low demand in the City, the cabs come to the Airport. Why should they be forced to circle the lot? He asked that space be made available in Section A of the garage. Very few cars park in that area.

He thanked the Commission for the timely response to his letter of last month. It wasn't the best answer, but the response was a lot faster than anything he has ever received from AMPCO.

\* \* \*

K. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*



M. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Director informed the Commission that it was not necessary to go into closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:03 AM.



Jean Caramatti  
Commission Secretary





# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

August 3, 1999

9:00 A.M.

✈ ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

LARRY MAZZOLA  
Vice President

MICHAEL S. STRUNSKY

LINDA S. CRAYTON

CARYL ITO

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JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
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Minutes of the Airport Commission Meeting of  
August 3, 1999

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
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C.		ADOPTION OF MINUTES:		
		Special Meeting of July 13, 1999	99-0245	4
D.		DIRECTOR'S REPORTS:		
	1.	Master Plan Quarterly Update		4-6
	2.	M/WBE Participation in Contracts for FY 1998/99		6
	3.	Report on FY 1998-99 Diversity Hiring		6
	4.	Airport Construction Workforce Demographic Profile		6
E.		ITEMS INITIATED BY COMMISSIONERS:		
		FBI Investigation of the Human Rights Commission		6
		Workshop Regarding Minority Participation		6
F.		POLICY:		
	5.	Authority to Establish a Special Fund to Receive Contributions for Airport Promotion and Special Events Related to the Opening of the New International Terminal	99-0246	6
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	6.	Final Scope and Budget for Expansion of Boarding Area F Hub and Thumb and Authorization to Reimburse United Air Lines	99-0247	7
	7.	Authorization to Conduct a Pre-Bid Conference for Domestic Banking Service Lease	99-0248	7
	8.	Authorization to Accept Bids for New International Terminal Discretionary Store Lease	99-0249	7
H.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		



9.	Bid Call - Contract 4222 - Runway Rubber Removal - FY 1999/00	99-0250	7
10.	Award Contract 5606A - Permit Bureau Relocation - West Bay Builders, Inc.	99-0251	7-8
11.	Award Contract 4201 - West Field Road (R-6) Improvements - Interstate Grading and Paving/M.H. Construction	99-0252	8
12.	Award Contract 4116 - Facilities Fire Protection Improvements - Value Fire Protection, Inc.	99-0253	8
13.	Award Professional Services Agreement to Provide Environmental Consulting Services - Parsons, Engineering Science, Inc.	99-0254	8
14.	Award Employee Parking Facilities Operating Agreement - ABC Parking, Inc/Thor	99-0255	8
15.	Modification No. 22 to Professional Legal Agreement - Morrison & Foerster	99-0256	8-9
16.	Modification No. 1 to Professional Services Contract to Provide International Aviation Development Legal Services - Winthrop, Stimson, Putnam & Roberts	99-0257	9
17.	Modification No. 1 to Professional Services Contract to Provide International Aviation Development Services - Gerchick, Korens Associates	99-0258	9
18.	Bid Call - Contract 4228 - As-needed Utility Pipeline Repairs	99-0259	9
19.	Rent Credit to Hertz for Construction of the SFO Rental Car Center (RAC) Bus Canopy	99-0260	9
20.	Proposed Airport Museums Exhibitions Program Schedule for FY 1999-00	99-0261	9
I.	NEW BUSINESS:		10
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L.

ADJOURNMENT:

10





## AIRPORT COMMISSION MEETING MINUTES

August 3, 1999

### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present:	Hon. Henry E. Berman, President
	Hon. Larry Mazzola, Vice President
	Hon. Michael S. Strunsky
	Hon. Linda S. Crayton
	Hon. Caryl Ito

\* \* \*

### C. ADOPTION OF MINUTES:

The minutes of the Special Meeting of July 13, 1999 were adopted unanimously.

No. 99-0245

\* \* \*

### D. DIRECTOR'S REPORTS:

#### 1. Master Plan Quarterly Update

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that through the second quarter of 1999, the Airport awarded \$2.277 billion, or 94% of the program budget excluding allowable contingency and program reserve. In terms of construction, only a total of \$1.813 billion, or 92% of the budget has been awarded through the reporting period. There was one new construction contract award during the last quarter in the amount of \$1.9 million. Total contract awards during this quarter amounted to \$67 million, including contract modifications in both construction and professional services.

Over the next six months we anticipate awarding approximately \$40 million in construction contracts. The total awarded percentages will reach 96% of the program budget, or 94% of the construction budget, excluding both program reserve and allowable contingency.

Invoices approved since the last report totaled \$161 million, bringing the total invoiced amount to \$1.822 billion or 71% of the total current budget excluding program reserve. This invoiced total is composed of \$1.436 billion for construction,



\$185 million for design, \$123 million for CM, \$12 million for testing, \$33 million for OCIP, \$27 million for Airport Administration, and \$7 million for Art Enrichment.

Contingency usage to date is \$131 million, or 90% of the \$147 million baseline budget, compared to a completion level of 72% on approved construction invoices. The current program reserve budget is \$124 million.

Current forecast of Master Plan expenditures through program completion is \$2.373 billion, a \$59 million increase relative to the previous report. This growth reflects the settlement of changes that were in negotiations prior to this reporting period. Current forecast for program reserve at completion is \$92 million.

The total program reached 71% completion with 87% design completion and 72% construction completion.

The scheduled opening of the initial phase of the International Terminal Complex remains mid-2000. As previously reported, the inclement weather in 1998 combined with the resulting interface coordination issues between contracts resulted in a negative impact on construction progress. To mitigate this negative impact, we are exploring the viability of a phased opening based on the original schedule.

The International Terminal building is 86% complete. Boarding Areas A and G are proceeding for a 4th quarter 1999 substantial completion. The baggage handling system is 67% complete with completion scheduled for January 2000.

Elevated circulation roadways are 80% complete and the inbound/outbound ramps projects are 65% complete. Substantial completion is scheduled for February and April 2000 respectively.

The AirTrain operating system supply contract is in its design phase. The forecast for full passenger service remains December 15, 2001.

The detailed programming of tenant improvement work commenced this quarter. The first airline tenant access is scheduled for October 1999 in Boarding Area G. In the International Terminal Building, first tenant build out is forecast to commence in September 1999.

The three Securities and Special Systems contracts continued installation of equipment and systems infrastructure in the International Terminal Complex. All 48 special systems rooms are completed and turned over to the Security and Special Systems contractor.

In the area of job safety, our actual rate of 9.31 for recordable incidents is slightly lower than the Federal rate of 9.50 and shows a decrease over our last report. Our lost time incident rate of 4.43 is slightly higher than the national average of 4.40, an increase over the 2.98 rate reported in our last report. The MBE/WBE participation is 23% / 5% respectively on the program level. A breakdown by the major sub areas is presented in the report.



In summary, the Master Plan Implementation Program is proceeding on the basis of selective work acceleration to meet the scheduled completion dates while remaining within the baseline budget.

2. Report on M/WBE Participation in Airport Contracts during FY 1998-99
3. Report on FY 1998-99 Diversity Hiring
4. Report on Airport Construction Workforce Demographic Profile

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Strunsky asked the Director if the Airport was part of the FBI investigation of the Human Rights Commission.

Mr. Martin responded that the Airport is not part of the investigation.

Commissioner Crayton suggested that a workshop/meeting be held with the NAACP regarding the Airport's minority participation program.

\* \* \*

F. POLICY:

Item No. 5 was adopted unanimously.

5. Authority to Establish a Special Fund to Receive Contributions for Airport Promotion and Special Events Related to the Opening of the New International Terminal

No. 99-0246

Resolution recommending that the Board of Supervisors adopt an ordinance authorizing the establishment of a special fund for Airport Promotion and Special Events related to the opening of the new International Terminal and authorizing the Airport Commission to accept gifts to such fund and expend the fund for established purposes.

\* \* \*

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 6 through 8 were adopted unanimously.



6. Final Scope and Budget for Expansion of Boarding Area F Hub and Thumb and Authorization of Reimbursement to United Air Lines

No. 99-0247

Resolution approving the scope and final budget for the Boarding Area F Hub and Thumb Expansion Project, and authorizing reimbursement to United Air Lines for design, management, and construction of the project in an amount not-to-exceed \$23.5 million.

7. Authorization to Conduct a Pre-Bid Conference for Domestic Banking Service Lease

No. 9-0248

8. Authorization to Accept Bids for New International Terminal Discretionary Store Lease

No. 99-0249

Resolution approving the Minimum Qualification Requirements and Lease Specifications and authorizing staff to accept Bids for the New International Terminal Discretionary Store Lease.

\* \* \*

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 9 through 20 were adopted unanimously.

9. Bid Call - Contract No. 4222 - Runway Rubber Removal, FY 1999-2000

No. 99-0250

Resolution approving the scope, budget, and schedule for Contract No. 4222, Runway Rubber Removal, FY 1999-2000 and authorizing the Director to call for bids when ready.

10. Award Contract 5606A - Permit Bureau Relocation - West Bay Builders, Inc. - \$548,500

No. 99-0251

Resolution awarding Contract No. 5606A, Permit Bureau Relocation, to West Bay Builders, Inc. in the amount of \$548,500.

The purpose of this contract is to relocate the Airport Permit Bureau from its current location on the lower level of the South Terminal to the South Terminal Mezzanine. This work is funded from the Airport's Capital Improvement Program funds





with no impact on the Master Plan Baseline Budget.

11. Award Contract 4201 - West Field Road (Road 6) Improvements - Interstate Grading and Paving/M.H. Construction - \$426,715

No. 99-0252

Resolution awarding Contract 4201, West Field Road (R-6) Improvements, to the lowest responsive, responsible bidder, Interstate Grading and Paving/M.H. Construction, in the amount of \$426,715.

12. Award Contract 4116 - Facilities Fire Protection Improvements - Value Fire Protection Inc. - \$358,400

No. 99-0253

Resolution awarding Contract 4116, Airport Facilities Fire Protection Improvements in the amount of \$358,400.

13. Award of Professional Services Agreement to Provide Environmental Consulting Services - Parsons, Engineering Science, Inc. - \$410,000

No. 99-0254

Resolution awarding a Professional Services Agreement with Parsons, Engineering Science, Inc. to provide environmental consulting services for environmental analysis and the preparation of an environmental assessment for the Precision Runway Monitor and operational changes at SFO in an amount not to exceed \$410,000.

14. Award Employee Parking Facilities Operating Agreement - ABC Parking, Inc./Thor - \$282,612

No. 99-0255

Resolution awarding the Employee Parking Facilities Operating Agreement to ABC Parking, Inc./Thor, with a first year Management Fee of \$282,612.

15. Modification No. 22 to Professional Legal Services Agreement - Morrison & Foerster, LP - \$1,000,000

No. 99-0256

Resolution approving Modification No. 22 to Professional Legal Services Agreement (Noise/Environmental Contract) with Morrison & Foerster, LP to increase compensation by the



amount of \$1,000,000; all other terms and conditions of the contract to remain in full force and effect.

16. Modification No. 1 to Professional Services Contract to Provide International Aviation Development Legal Services - Winthrop, Stimson, Putnam & Roberts - \$100,000

No. 99-0257

Resolution authorizing Modification No. 1 to Professional Services Contract with Winthrop, Stimson, Putnam & Roberts to increase the amount by \$100,000 for International Aviation Development Legal Services. All other terms and conditions of the contract will remain in full force and effect.

17. Modification No. 1 to Professional Services Contract to Provide International - Aviation Development Services - Gerchick, Korens Associates, PLLC - \$100,000

No. 99-0258

Resolution authorizing Modification No. 1 to Professional Services Contract with Gerchick, Korens Associates, PLLC. to provide International Aviation Development Services to increase the amount by \$100,000. All other terms and conditions of the contract remain in full force and effect.

18. Bid Call - Contract No. 4228 - As-Needed Utility Pipeline Repairs

No. 99-0259

Resolution approving the scope, budget, and schedule for Contract No. 4228, and authorizing the Director to call for bids when ready.

19. Rent Credit to Hertz for Construction of the SFO Rental Car Center Bus Canopy - \$388,300

No. 99-0260

Resolution approving a rental credit not to exceed \$388,300 to Hertz for additional construction cost of the Bus Canopy at the Rental Car Facility.

20. Proposed Airport Museums Exhibitions Program Schedule for FY 1999-2000

No. 99-0261

\* \* \*



I. NEW BUSINESS:

This is the Public Comment section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a Request to Speak form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests to speak from the public.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission voted unanimously to go into closed session. The Commission recessed its public meeting at 9:55 AM and began the closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Local 21 v City and County of San Francisco and Airport Commission; and, GTE Mobilnet v City and County of San Francisco; and Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

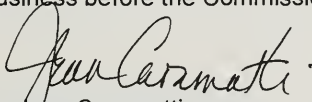
Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The public meeting was reconvened at 10:35 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission, the meeting adjourned at 10:36 AM.

  
Jean Caramatti  
Commission Secretary



199

# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

August 17, 1999  
9:00 A.M.

ROOM 400, CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

LARRY MAZZOLA  
Vice President

MICHAEL S. STRUNSKY

LINDA S. CRAYTON  
CARYL ITO

JOHN L. MARTIN  
Airport Director

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Minutes of the Airport Commission Meeting of  
August 17, 1999

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B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
		Regular meeting of August 3, 1999	99-0262	4
D.		ITEMS INITIATED BY COMMISSIONERS:		4
E.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	1.	Modification No. 7 to Contract 5510E - New Boarding Area A General Construction - Hensel Phelps Construction Co.	99-0263	4-5
	2.	Modification No. 6 to Professional Services Contract 5515.3 - Security and Special Systems - Holmes & Narver	99-0264	5-6
	3.	Modification No. 2 to Contract 5100.5 - International Terminal General Construction and AirTrain Domestic Stations - Consolidated Engineering Laboratories	99-0265	6-7
	4.	Modification No. 3 to Contract 5500J - North Connector Package Construction - Dillingham Construction	99-0266	7-8
	5.	Modification No. 2 to Contract 5500.4 - International Terminal Structural Steel - Smith-Emery Co.	99-0267	8
	6.	Modification No. 4 to Contract 3399 - J & H Marsh & McLennan/Merriwether & Williams	99-0268	8-10
F.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	7.	Award Contract 3996AR - MultiModal Transportation Center, Phase A - DeSilva Gates/Ramirez	99-0269	10-12
	8.	Modification No. 6 to Contract 5010CM - Luster/GKO	99-0270	13
	9.	Authorize Funding Design Services for the New International Terminal Food and Beverage Program		



	- SZFM Design Studio	99-0271	13-14
10.	Approve Scope, Budget and Schedule and Authorize Bid Call for Construction Activities with Regards to the Common Area for the Food and Beverage Program in the New International Terminal	99-0272	14
11.	Award New International Terminal Bookstore/ Cafe Lease - Benjamin Books, Inc.	99-0273	14-15
12.	Automated Teller Machine (ATM) Service Leases for the New International Terminal Complex	99-0274	15-16

G.

CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

13.	Modification No. 3 to Contract 5905A - Inbound/ Outbound Ramps and Structures of Lot DD - Myers/Condon-Johnson	99-0275	16
14.	Modification No. 1 to Contract 5701A - AirTrain Maintenance Facility - S.J. Amoroso Construction	99-0276	16
15.	Modification No. 1 to Contract 5500.6 - North Connector Building - Signet Testing Laboratories	99-0277	16
16.	Bid Call - Contract 5605C - Police Main Station	99-0278	17
17.	Bid Call - Contract 5606B - Police Substation	99-0279	17
18.	Modification No. 1 to Professional Services Contract for Airport Identity System Implementation - Luxon-Carra	99-0280	17
19.	Modification No. 6 to Contract 5520 - Boarding Area G Professional Services - Hellmuth, Obata and Kassabaum	99-0281	17
20.	Modification No. 1 to Professional Services Contract - Management Training - Robert F. Hicks, PhD	99-0282	17-18
21.	Award Contract 4049 - Digitizing Engineering Drawings - Ford Graphics	99-0283	18
22.	Reject Bid - Contract 3797 - Utilities Cathodic Protection Improvements	99-0284	18



23.	Modification No.1 to Professional Services Contract for Development, Redesign and Hosting of the Airport's Website	99-0285	18-19
24.	Authorization to Conduct a Pre-Proposal Conference - Hair Salon Facility Operating Agreement	99-0286	19
H.	NEW BUSINESS:		19
I.	CORRESPONDENCE:		19
J.	CLOSED SESSION:		
	Potential Litigation		19
K.	ADJOURNMENT:		19



# AIRPORT COMMISSION MEETING MINUTES

August 17, 1999

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Larry Mazzola, Vice President  
Hon. Michael S. Strunsky  
Hon. Linda S. Crayton  
Hon. Caryl Ito

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 3, 1999 were adopted unanimously.

No. 99-0262

\* \* \*

## D. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

## E. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 1 through 6 were adopted unanimously.

1. Modification No. 7 to Contract No. 5510E - New Boarding Area A General Construction - Hensel Phelps Construction Co., Inc. - \$9,197,052

No. 99-0263

Resolution approving Modification No. 7 to Contract 5510E, New Boarding Area A General Construction with Hensel Phelps Construction Co., Inc. in the amount of \$9,197,052 for work related to Concession revisions, additional scope in adjacent projects and impact mitigation. Funding sources are non-Master Plan Capital Improvement Funds and Management Reserve.





Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction (BDC) explained that this modification is a compilation of negotiated changes triggered by concession-related revisions and change impact mitigation associated with the early installation of the baggage handling system in Boarding Area A.

The funding sources for this modification are the Airport's Capital Improvement Program budget and program reserve.

All of the changes have been reviewed and approved by the Master Plan Technical Advisory Board, and have been included in the cost forecast at completion presented in our quarterly reports for 1998. This Commission action formalizes the forecasted changes.

The base contract's MBE/WBE participation goals of 12.3% MBE and 2.2% WBE remain unchanged.

2. Modification No. 6 to Professional Services Contract No. 5515.3 - Security and Special Systems - Holmes and Narver, Inc. - \$2,103,000

No. 99-0264	Resolution authorizing Modification No. 6 to Contract 5515.3, Security and Special Systems, with Holmes and Narver, Inc., in the amount of \$2,103,000 to provide support services for other Master Plan Projects, support the implementation of competitive telecommunication services, and provide activation support for the New International Terminal. Funding will be provided by transfers from the Capital Improvement Program (CIP) budget, BART, and budget underruns within the overall No. 5515 Security and Special Systems Budget. There will be no impact to the Baseline Budget.
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Mr. Kardos explained that this modification covers a number of scope items that can be grouped in three areas of professional services requested from Holmes and Narver, the designer of our Security and Special Systems:

1. On-site engineering tasks to deal with the multitude of contract interfaces and the multiple requests from Federal agencies.
2. Coordination and engineering assistance associated with the preparation and implementation of the Competitive Local Exchange Carrier (CLEC) contract that has been awarded.
3. Contract time extension to ensure appropriate engineering support for systems user training, activation and orientation of Airport staff, airline personnel and various tenants.

The negotiated fee of \$2.1 million has been reviewed and approved by the



Professional Services Fee Review Committee. Of the \$2.1 million total, \$1.22 million will be covered by Capital Improvement Funds. The remaining \$850,000 will be funded from allocated project underruns with no impact to the Master Plan baseline budget.

The 21% MBE/WBE participation established for the base contract remains unchanged.

Commissioner Strunsky said that these systems are the backbone of our operating communications/electronics systems. He asked if these are on schedule and if we are programming a systematic checking and double checking that these systems work?

Mr. Kardos responded that these systems are going to be available and substantially complete in January. The training and familiarization period will occur from January through the opening date.

3. Modification No. 2 to Contract 5500.5 - International Terminal General Construction and AirTrain Domestic Stations - Consolidated Engineering Laboratories - \$1,208,437.95

No. 99-0265

Resolution approving Modification No. 2 to the Consolidated Engineering Laboratories contract for professional services fees covering additional material testing and inspection for the International Terminal General Construction and AirTrain Domestic Stations in the amount of \$1,208,437.95.

Mr. Kardos explained that the work covered by this modification includes added scope items to the International Terminal General Building, the AirTrain Maintenance Facility and Domestic Stations construction testing and inspection contract with Consolidated Engineering Laboratories.

The lion's share of the total modification amount is associated with the International Terminal Building construction contract extension from August 1999 to December 1999. The other components are related to the deck survey in the International Terminal, the testing required for the AirTrain Domestic Stations construction, and the inspection for the International Terminal's complex roofing system.

The cost increase represented by this modification was initially covered from the contract's contingency budget and was not reflected in our previous cost forecasts.

The modification has been reviewed and approved by both the Professional Services Fee Review Committee and the Master Plan Advisory Board.

The base contracts 30% MBE and 21% WBE participation goals apply to the modified contract.

Commissioner Strunsky noted that the roofing inspection is a major added cost.



The new International Terminal is very complex. Will Consolidated Engineering assure us that there will be no leaks in the roof?

Mr. Kardos responded that guarantees of no leaks is a courageous statement to make, however, the effort is concentrated on the elimination of potential leaks.

The initial scope contained some part time inspection and testing of the roof. This modification provides for continuous inspection, thereby insuring the quality required to avoid leaks.

Commissioner Strunsky asked if this included the entire roofing system ... the flashing connections, skylight to roof connections, etc. Is Consolidated satisfied that we have roof over the International Terminal that will not leak?

Mr. Kardos said that is correct.

Commissioner Crayton asked where the funds come from.

Mr. Kardos responded that the funds come from the Management Reserve.

Commissioner Berman asked if we are in danger of running out of Management Reserve funds before the completion of the project.

Mr. Kardos responded that according to our current forecast we should have \$90 million in program reserves remaining at the time of completion.

4. Modification No. 3 to Contract No. 5500J - North Connector Package Construction Dillingham Construction - \$806,082

No. 99-0266

Resolution approving Modification No. 3 to Contract No. 5500J, North Connector Package Construction with Dillingham Construction in the amount of \$806,082 for budget transfers and work related to design changes to facilitate construction and unforeseen obstruction. Funding sources are transfers from Construction Contingency and Management Reserve.

Mr. Kardos explained that this modification is a compilation of negotiated changes comprising scope transfers, design changes to facilitate construction and unforeseen conditions encountered due to airline-initiated changes.

The funding sources are the appropriate budget transfers, contract contingency, and program reserve.

All of the changes have been reviewed and approved by the Master Plan Technical Advisory Board, and the costs have been included in our previous cost forecast presented to the Commission in our quarterly report. This Commission action formalizes the forecasted changes.



The 17% MBE and 6% WBE participation established for the base contract remains unchanged.

Commissioner Strunsky asked if we are approaching the end of the changes to this contract.

Mr. Kardos responded that we are. He assumed that there will be a close-out modification.

5. Modification No. 2 to Contract No. 5500.4 - International Terminal Structural Steel Smith-Emery Company - \$150,000

No. 99-0267

Resolution approving Modification No. 2 to the Smith-Emery Company contract for professional services fees covering additional material testing and inspection for the International Terminal structural steel in the amount of \$150,000. Funding for this Modification will come from Master Plan Management Reserve.

Mr. Kardos explained that the work covered by this modification represents a scope increase to the structural steel testing and inspection contract due to the need for extended field inspection, ultrasonic testing of trusses and testing associated with the installation of base isolators.

This modification is a roll-up of individual change orders initially covered from the contract contingency allocation. The associated cost has not been included in our previous cost forecasts.

The modification has been approved by both the Professional Services Fee Review Committee and the Master Plan Advisory Board.

The MBE/WBE subconsultant participation remains as in the base contract at 12% WBE.

6. Modification No. 4 to Contract No. 3399 - J & H Marsh & McLennan/Merriwether & Williams - \$2,415,246

No. 99-0268

Resolution approving Modification No. 4 to Contract 3399 with J & H Marsh & McLennan/ Merriwether & Williams to extend the term by three years and increase the fee by \$2,415,246 for owner controlled insurance program broker services.

Mr. Marcus Perro, Deputy Director, Finance responded that the Owner Controlled Insurance Program (OCIP) has helped minority and women owned firms to participate in the Master Plan. .





As previously reported, the M/WBE firms accounted for 28.6% of the Master Plan contract awards. There are over 200 MBE/WBE firms enrolled in OCIP, representing 13% participation.

The OCIP program has also helped the Airport safety record. There are approximately 9,800 contractor employees who have completed the OCIP safety training program, and as a result our worker compensation costs have been kept below the national average for other US airports. Our worker's compensation costs are currently approximately .46% of the total payroll. The national average is .65%.

The OCIP program has also helped the Airport achieve financial savings in its Master Plan Program. For a price of \$42 million in annual premiums, we have avoided an additional \$30 million in contract bids.

The program provides for builders risk insurance, worker compensation insurance, and general liability insurance. These insurance coverages are reviewed annually.

The builders risk insurance is currently at its maximum because it's based on the \$2.4 billion construction program. Workers compensation insurance is based on the outstanding payroll. It may decrease within the next couple of years.

There is a possibility that the general liability insurance will increase because our claims relative to the insurance premium exceeds the 50% threshold. We are at about 68%, primarily due to an accident that resulted in an amputation. This causes our claims to be higher than we would like.

In order to successfully broker the insurance program, he recommends continuing the services of J & H Marsh & McLennan/Merriwether & Williams. Over the last six years they have successfully brokered the insurance program to keep the cost increases at 4% for the entire six year period.

This \$2.4 million will bring our total estimated fees to approximately \$9 million.

Commissioner Strunsky noted that this carries us out to 2004. He asked if there is a target date where the Master Plan Program comes to an end?

Mr. John Martin, Airport Director, responded that Phase A will be completed in 2001, and Phase B by 2005. Phase B will include remodeling Boarding Area D, reconstructing a new Boarding Area B, and various cargo buildings.

Beginning in late 2000 or early 2001, work will begin on a new Master Plan for all Airport facilities, taking us to the year 2020.

Commissioner Strunsky said that the OCIP program deals with this Master Plan, yet we are extending it to 2004.

Mr. Martin responded that it may well be extended to 2005 in order to cover completion of the program. Not all of the Phase B dates have been established.

Commissioner Strunsky assumed that this would flow over into Phase B.



Mr. Martin responded that it would.

\* \* \*

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 7 was adopted unanimously as amended. Item Nos. 8 through 12 were adopted unanimously.

7. Award of Contract No. 3996AR - MultiModal Transportation Center, Phase A DeSilva Gates/Ramirez. A Joint Venture - \$6,968,910

No. 99-0269	Resolution awarding Contract 3996AR to the lowest responsive, responsible bidder, DeSilva Gates/Ramirez, a Joint Venture in the amount of \$6,968,910.
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Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance (FOM) explained that this awards the first phase of the MultiModal Station. This contract is for ground parking at the area bounded by 380/101/San Bruno Avenue and will provide over 2,000 parking spaces.

Four bids were submitted. The first and second bidder were \$7,000 apart. The third bidder was \$2,000 more than that. Two protests were filed, with the first and second bidders filing protests against each other.

The resolution authorizes the Director to award the contract to the lowest, responsible bidder.

Commissioner Strunsky assumed that the importance of this contract arose out of the necessity to provide appropriate parking for the Thanksgiving/Christmas traffic.

Mr. Martin added that we are removing part of the existing long term parking to make room for Taxiway Q. Since we are losing long term parking this fall, it is important that we have this parking in place. It is a time critical project.

Commissioner Crayton said that the difference appeared to be very minuscule.

Mr. Eavis responded that for \$7-million contract, the difference is \$7,000, or one tenth of one percent.

Commissioner Ito asked if there was a vast difference in the subcontracting goals between the first and second bidder.

Mr. Eavis responded that there is not. The second bidder is claiming that the one main minority subcontractor is not doing the work, so the low bidder should not receive credit for that portion of the work.

Mr. John Heisse, attorney for the second bidder, Granite Rock/JMB, A Joint Venture, disagreed with the statement made by Mr. Eavis that there is not a great



deal of difference between the minority bidding of the two bidders.

The low bidder failed to meet the minority goals of 26%, submitting a bid at 25.6%. Twenty-five percent of that was one electrical subcontractor, Bass Electric. They, in turn, subcontracted a portion of the work to Rosendin Electric, not a minority subcontractor, and another portion to JMB, a WBE, not an MBE.

If you remove from the Bass Electric bid the portions which account for those two subcontractors, the low bidder's minority participation is 20.7%.

DeSilva Gates claims that it did not have prior knowledge that Bass was subcontracting its work out. Granite Rock also used Bass Electric and Bass told Granite Rock that they were going to sub out approximately \$200,000 to Rosendin Electric, and approximately \$100,000 to JMB, Granite's Joint Venture partner. Granite's bid does not include JMB as a sub because they are already part of their partnership.

Bass Electric also stated that they told DeSilva Gates and Ghilotti that they were going to sub out.

Between the three low bidders, the lowest bidder is at 21% minority participation, the second bidder is at 26.3%, and the third is at 28%.

The issue before the Commission is if there is a new meaning to "Good Faith Efforts."

Did the low bidder make a good faith effort to satisfy the standard? The bidder took out advertising two weeks in advance of the bid. Letters were sent out three weeks in advance. The bidder contacted by telephone most of the people who received letters two weeks in advance of the bid. As far as he can tell, that is all that they did. That is a pro-forma attempt to satisfy the requirement.

If this is enough, it would constitute a change in the attitude of how minority participation is to be encouraged. If that change takes place, it will disadvantage the minority community, and it will disadvantage his client and others like them who bid according to the old rules.

Often, going to the minority community is more expensive, costing more money to the bottom line of the bid than not going to the minority community.

In their case, Granite Rock/JMB knew, because of what Bass told them, that they had to find more minority participation. They worked closely with R&W, a concrete subcontractor, in helping that contractor to put in a bid.

A portion of R&W's work worth \$96,000 could have been self-performed by Granite Rock for \$21,000. However, to achieve over 26%, they gave the work to R&W, thus increasing their bid price by approximately \$75,000.

They were low by \$7,000, but they would have been low by \$75,000 if they could have shaved off 1 percentage point, as DeSilva Gates would like the Commission to



do today.

The DeSilva Gates bid is non-responsive.

Richard Bunn, attorney for DeSilva, took exception with virtually everything Mr. Heisse told the Commission.

The Bass Electric subcontract, which DeSilva used as part of its MBE participation goal, submitted a bid of \$1,523,194, 25% of which was attributed to the MBE participation goal. They were not told on or before bid day that Bass Electric was intending to sub out any of its work to non-minority contractors. It was only after the two day submittal was received by Ramirez that they were going to sub out to non-minority and non-WBE enterprises.

Mr. Heisse's assertion that Granite made up for Bass Electric's use of non-minority enterprises in their bid is false. Granite Rock's bid lists Bass Electric at \$1,423,194 in total.

In terms of good faith efforts, DeSilva's telephone log lists four pages of contact and follow-up calls to 86 prospective MBE contractors. Solicitation letters were also sent. If no response was received, a follow-up phone call was made.

They also followed through with ABSL, contrary to Granite Rocks contention that ABSL was not solicited by DeSilva. They contracted with ABSL to rent equipment at \$3,000 for a half day.

DeSilva did comply with the MBE goals. Granite Rock's bid does not even come close to meeting the MBE goals. They used Bass Electric's total bid, contrary to Mr. Heisse's contention that Bass Electric should not constitute 100% participation toward the MBE goal.

Furthermore, Granite Rock selected R&W Concrete to perform \$381,050 of concrete work, when the only concrete work on the bid schedule that is not listed as being performed by JMB, their JV partner, is \$50,000 worth of work. If JMB is doing \$381,050 worth of the concrete work, they can only get credit for \$50,000 for the R&W concrete work. They cannot get 100% credit.

The Commission amended the resolution to give the Human Rights Commission 14 days in which to complete its review. It further authorized the Director to award this contract to the lowest responsive, responsible bidder upon receipt of HRC's determination.

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#### J. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission voted unanimously to go into closed session.





The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

The Commission recessed its public meeting at 9:55 AM and began the closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The public meeting was reconvened at 10:30 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

8. Modification No. 6 to Contract No. 5010CM - Luster/GKO - \$950,000

No. 99-0270	Resolution approving Modification No. 6 to Professional Services Contract No. 5010CM with Luster/GKO for construction management services, in an amount not-to-exceed \$950,000.
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Ms. Peg Devine, Deputy Director, Airfield Development Program explained that approximately \$700,000 of this modification is in support of the Airfield Development Program. The remainder is for Information Technology Consultant services.

With respect to the Airfield Development Program the magnitude, complexity and schedule requirements of the program require that cost and schedule control activities be instituted at the project outset to assure on-time, on-budget performance. Secondly, the technical requirements of the program have required individuals with highly specialized skills such as marine structures, and airport experience. It was determined that such skills were not available within the City's existing workforce or class specifications.

The term of this modification is through December 31. With respect to the Professional Services Contract for Information Technology and Telecommunications specialists, these consultants will insure that today's advanced technologies, as well as those developed under the Master Plan are integrated into the information systems that are essential to carrying out Airport activities.

Luster/GKO will maintain its 17% MBE / 3% WBE goals.

Item Nos. 9 and 10 were called together.

9. Authorization for Funding of Design Services for the New International Terminal Food and Beverage Program - SZFM Design Studio - \$1,198,750

No. 0271	Resolution authorizing the funding of design
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services for the New International Terminal Food and Beverage Program to be provided by Pacific Gateway Partnership, through its subcontractor, SZFM Design Studio, equal to the lesser of the actual receipted costs or \$1,198,750.

Mr. Bob Rhoades, Deputy Director, Business Division, explained that this item seeks authorization to fund the design services for the new International Terminal Food and Beverage Program. The amount will go towards the design of the two food courts in the main building.

SZFM is one of six minority and/or women owned businesses that are involved in the Pacific Gateway Partnership that was approved by the Commission in 1998.

Airport staff has thoroughly reviewed the design components and believes that they are acceptable.

10. Approval of Scope, Budget, and Schedule, and Authorization for the Bid Call for Airport Construction Activities with Regards to the Common Area for the Food and Beverage Program in the New International Terminal.

No. 99-0272

Resolution approving the scope, budget, and schedule, and authorizing the bid call for Airport construction activities with regards to the common area for the Food and Beverage Program for the New International Terminal.

Mr. Rhoades explained that this item seeks authorization for construction of the two food courts in the new International Terminal. The budget for this project is \$8.1 million, or about \$300 per square foot. This is consistent with the high level of finish achieved in the bookstore and food court located in the Hub.

PGP will be required to follow City contracting procedures. The M/WBE goals are 15% / 5% respectively.

11. Award of the New International Terminal Bookstore/Cafe Lease - Benjamin Books, Inc - Minimum Annual Guarantee: \$265,854

No. 99-0273

Resolution awarding the New International Bookstore/Cafe Lease to Benjamin Books, Inc., approving Loretta Whittle as its subtenant, and directing the Commission Secretary to seek approval from the Board of Supervisors.

Mr. Rhoades said that the Commission authorized staff to accept qualifications, proposals and bids for the new International Terminal Bookstore/Cafe lease. Staff received two bids on June 30, 1999 ... Books Inc., an MBE firm, and Benjamin Books a local firm.



This was a joint venture with a DBE component. The joint venture partner, Loretta Whittle. She has two locations in the City and one at the Airport.

The Human Rights Commission has determined that Benjamin Books is in compliance with the Equal Benefits Ordinance and has approved the employee workforce.

12. Automated Teller Machine (ATM) Service Leases for the New International Terminal Complex

No. 99-0274

Resolution approving the minimum qualifications and lease specifications and authorizing staff to accept bids for two ATM Service Leases for the New International Terminal. The minimum acceptable bid is \$180,000.

Mr. Rhoades said that the Commission authorized staff to conduct a pre-bid conference for two automated teller machine service leases in the new International Terminal. Seven companies were represented at the July 13, 1999 conference.

This particular opportunity is for placement of five ATM locations in the new International Terminal. The term is for five years. The minimum acceptable bid is \$180,000.

Only two substantial comments were made at the conference. The first is that we are somewhat more aggressive than other airports with respect to our rent structure. We will receive one third of the transaction fees in addition to the bid. The second was a request for a DBE participation. The contract calls for best effort to contract out services to repair and clean the ATMs to DBE firms.

To date in the new International Terminal program we have awarded 40% of all of the facilities to minority or women-owned businesses, either through leases or subleases.

Further, we anticipate a very high level of DBE participation in our food and beverage program. We firmly believe that we have exceeded our goals.

It would be very difficult to split up this contract into two or three different components.

Commissioner Strunsky said that there has been a lot of publicity regarding ATM fees. He assumed that the fees will not be out of the ordinary and asked if we will have any controls over them.

Mr. Rhoades responded that he believed that the one third transaction fee was imposed to insure that the Airport received its fair share of the windfall the companies would be receiving. He did not recall a ceiling on the fees.



Mr. Martin said that the most important component is competition. These machines will be placed closely together so that if one company increases its fees to \$2.00 or \$3.00, the higher fees will lose business.

Commissioner Strunsky asked if any of these ATMs are capable of handling foreign currency.

Mr. Rhoades responded that our research indicates that machines dispensing foreign currency are very limited in their capability, and we do not believe that we will be able to achieve what we would like to.

Mr. Martin added that the new foreign currency exchange lease that is out to bid allows the winning bidder to place ATM machines with that capability.

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G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 13 through 24 were adopted unanimously.

13. Modification No. 3 to Contract No. 5905A - Inbound and Outbound Ramps and Structures of Lot DD - Myers/Condon-Johnson

No. 99-0275	Resolution approving Modification No. 3 to Contract No. 5905A, Inbound and Outbound Ramps and Structures to incorporate the regrading of Lot DD. The Modification is \$580,650 funded from FOM's Project No. 3996AR, with no impact to the Master Plan Baseline Budget or Schedule.
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14. Modification No. 1 to Contract No. 5701A - AirTrain Maintenance Facility S.J. Amoroso Construction Co., Inc. - \$512,161

No. 99-0276	Resolution approving Modification No. 1 to Contract 5701A, AirTrain Maintenance Facility, to increase the amount by \$512,161 for additional scope of work items for the AirTrain Maintenance Facility. Funds are available in the existing project budget with no impact to the Master Plan Baseline Budget.
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15. Modification No. 1 to Contract No. 5500.6 - North Connector Building - Signet Testing Laboratories - \$200,000

No. 99-0277	Resolution approving Modification No. 1 to Contract 5500.6 in the amount of \$200,000 with Signet Testing Laboratories for professional services fees covering additional material testing and inspection for the North Connector Building. Funding for this
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Modification will come from a transfer from Contract No. 5500E Administrative Budget.

16. Bid Call - Contract No. 5606C - Police Main Station

No. 99-0278

Resolution approving the scope, budget and schedule for Contract No. 5606C, Police Main Station and authorizing the Airport Director to call for bids when ready. The construction estimate for this work is \$4,540,000 funded from the Airport's Master Plan Baseline Budget.

17. Bid Call - Contract No. 5606B - Police Substation

No. 99-0279

Resolution approving the scope, budget and schedule for Contract No. 5606B, Police Substation and authorizing the Airport Director to call for bids when ready. The construction estimate for this work is \$1,850,000 funded from the Airport's Capital Improvement Program funds with no impact on the Master Plan Baseline Budget.

18. Modification No. 1 to Professional Services Contract for Airport Identity System Implementation - Luxon-Carra - \$200,000

No. 99-0280

Resolution approving Modification No. 1 to Professional Services Contract with Luxon-Carra for the development of expanded applications of the Airport's new identity system, in the amount not-to-exceed \$200,000.

19. Modification No. 6 to Contract No. 5520 - Boarding Area G Professional Services Hellmuth, Obata & Kassabaum - \$200,000

No. 99-0281

Resolution approving Modification No. 6 to Professional Services Contract No. 5520, Boarding Area G with Hellmuth, Obata & Kassabaum in the amount of \$200,000. This modification is to define Airport goals for space management and to do an in-depth investigation and comprehensive condition assessment of existing space occupancy at the Airport. Funding will come from Operating Budget Funds. There is no impact on the Master Plan Baseline Budget.

20. Modification No. 1 to the Professional Services Agreement for Management



Training - Robert F. Hicks, PhD - \$150,000

No. 99-0282

Resolution approving Modification No. 1 to the Professional Services Agreement for Management Training with Robert F. Hicks, PhD to increase funding by \$150,000.

Commissioner Ito asked if they have experience in working with a diverse workforce.

Mr. Theresa Lee, Deputy Director, Administration

21. Award of Contract No. 4049 - Digitizing Engineering Drawings -Ford Graphics - \$120,000

No. 99-0283

Resolution awarding Contract No. 4049, Digitizing Engineering Drawings to Ford Graphics, in the amount of \$120,000.

22. Reject Bid - Contract No. 3797 - Utilities Cathodic Protection Improvements

No. 99-0284

Resolution rejecting the only bid for Contract No. 3797, Utilities Cathodic Protection Improvements and to authorize the Director to call for re-bids when ready.

23. Modification No. 1 to Professional Services Contract for the Development, Redesign and Hosting of the Airport's Website - USWEB/CKS - \$1,571,000

No. 99-0285

Resolution authorizing Modification No. 1 to Professional Services Contract with USWEB/CKS, in the amount of \$1,571,000 for Phase II Project Work Plan Implementation.

Commissioner Crayton thought that this was an exorbitant amount.

Mr. Peter Nardoza, Deputy Director, Public Affairs responded that this will give the Airport an extremely comprehensive website. Compared to what other public agencies and private companies have spent, this is a moderate amount of money.

Users will be able to find their flight times, gates, parking, travel, local events, weather in other parts of the country, access to our press releases, etc.

The Airport is constantly changing and updating what we will want to tell the public. This contract will give us a comprehensive website. The on-line date is for early October.

Mr. Martin said that half of this cost is to get the airlines computer systems hooked



in so that users will have up to the minute airline arrival/departure information.

Commissioner Crayton asked if this company employs any minorities.

Mr. Nardoza responded that there was 10% MBE / 10% WBE goal, and they will meet those goals.

24. Authorization to Conduct a Pre-proposal Conference - Hair Salon Facility Operating Agreement

No. 99-0286

Resolution authorizing staff to conduct a pre-proposal conference for the Hair Salon Operating Agreement.

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H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. ADJOURNMENT:

There being no further calendared business before the Commission, the meeting adjourned at 10:47AM.

  
Jean Caramatti  
Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

September 21, 1999  
9:00 A.M.

✈ ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**LARRY MAZZOLA**  
Vice President

**MICHAEL S. STRUNSKY**

**LINDA S. CRAYTON**

**CARYL ITO**

**JOHN L. MARTIN**  
Airport Director

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Minutes of the Airport Commission Meeting of  
September 21, 1999

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E.		ITEMS INITIATED BY COMMISSIONERS:		6
F.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	3.	Award Contract 5706A - AirTrain Domestic Terminal Stations - Dennis J. Amoroso	99-0290	6-7
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G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	5.	Award Leases for Food and Beverage Program In the New International Terminal	99-0292	8-10
	6.	Adopt Environmental Commitments in Support of the Runway Reconfiguration Program	99-0293	10-11
	7.	Authorization to Issue Request for Proposals for Project Control and Resource Consultant for the Runway Reconfiguration Program	99-0294	12
	8.	Authorization to Issue Request for Proposals for Mitigation Site Planning and Assessment Consultant For the Runway Reconfiguration Program	99-0295	12
	9.	Authorization to Issue Request for Qualifications for NEPA/CEQA Technical Review Services for the Runway Reconfiguration Program	99-0296	13



10.	Award Sole Source Contract to Regents of the University of California to Study the Potential for Restoration/Supplementation of San Francisco Bay Pacific Herring and Olympic Osyter Habitats	99-0297	13
11.	Authorization to Issue a Request for Qualifications For Santa Clara Public Information Services	99-0298	13
12.	First Supplemental Providing for a Third Series Of Commercial Paper Notes	99-0299	13-14
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15.	Award Contract 5530E - Taxiways A & B Realignment - East Phase - Pavex Construction		14-22
16.	Reimbursement the Airline Liaison Office for Work Performed on Behalf of the Airport	99-0302	22-23
17.	Modification No. 3 to Contract 5515C - Security and Special Systems - Terminal Systems Package - SASCO, Inc.	99-0303	23-24
18.	Award Lease to Turn-Key Public Communication Concession - Pacific Bell	99-0304	24
19.	Approve Disadvantaged Business Enterprise Sublease Program for Post Security Master Retail/ Duty Free Concession Lease No. 99-0035	99-0305	24-25
20.	New International Terminal Airline Leases	99-0306 thru 99-0331	25-28
21.	Modification No. 1 to Contract 5703A, Phase 1 - AirTrain Operating System - Adtranz	99-0332	28-29
22.	Award Contract - Operate the Curbside Management Program - ShuttlePort/DAJA SFO Joint Venture	99-0333	29-32
23.	Authorization to Issue Request for Qualifications/ Proposals/Bids for the North Terminal Hub Principal Retail Concession Lease	99-0334	33



## H.

CONSENT CALENDAR OF ROUTINE  
ADMINISTRATIVE MATTERS:

24.	Modification No. 6 to Contract 5520CM - Boarding Area G Construction Management - Lehrer McGovern Bovis/FE Jordan Assoc/Cabellon Assoc. 99-0335	33
25.	Modification No. 4 to Contract 5709.1 - AirTrain Road 6 and Rental Car Center Stations Professional Services Agreement - Murokami Associates 99-0336	34
26.	Award Contract for Document Management System - Imtrek Image Technology Services 99-0337	34
27.	Award Contract 3698 - New Wash-Down Area - JMB Construction 99-0338	34
28.	Modification No. 3 to Contract 4062 - Ciber Network Services 99-0339	34-35
29.	Modification No. 1 to Professional Services Agreement - Environmental Consulting Services - LSA Associates 99-0340	35
30.	Reject All Bids - Contract 4185 - As-Needed Telecommunications Construction/Repairs 1999/00 99-0341	35
31.	Reject All Bids - Contract 4184 - As-Needed Electrical Construction Repairs - 1999/00 99-0342	35
32.	Sublease Off-Airport Warehouse/Office Building - 350 Harbor Way, So. San Francisco - Zoom Tech, Inc. 99-0343	35-36
33.	Rental Rate Adjustment for Land and Improvements Lease to Northwest Airlines 99-0344	36
34.	Rent Credit to Pacific Gateway Concessions, LLC and Host International to Design, Construct and Implement the Airport's Storefront Concept 99-0345	36
35.	Reimburse San Francisco Foreign Flag Carriers (SFFFC) for Providing Security Guard Services to the Airport 99-0346	36
36.	Rent Credit to Pacific Gateway Concession, LLC to Construct Candy Kiosk in the South Terminal 99-0347	36
37.	Rent Credit to Bank of America to Relocate Automatic	



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38.	Award Contract - Security Identification Display Area Video - FAT BOX	99-0349	37
39.	Authorization to Issue a Request for Proposals for an Interpreter Management Firm	99-0350	37
40.	Modification No. 3 to Contract 5602.1 - Employee Parking Facility No. 3, Plot 7 - Walker Parking Consultants/Engineers and Kwan Henmi Architecture/Planning	99-0351	37
41.	Bid Call - Contract 4214 - International Terminal Site Furnishings and Exterior Amenities	99-0352	37
42.	Bid Call - Contract 4216 - As-Needed General Construction	99-0353	38
43.	Bid Call - Foreign Currency Exchange Lease	99-0354	38
44.	Authorization to Conduct a Pre-bid Conference - North Terminal Concourse Newsstand Lease	99-0355	38
45.	Authorization to Issue a Request for Proposals To Operate an Inter-Airport Facility Shuttle	99-0356	38
I.	PUBLIC HEARING:		
46.	Proposed Additions and Changes to the Airport's Rules and Regulations	99-0357	38-39
J.	NEW BUSINESS:		39
K.	CORRESPONDENCE:		39
L.	CLOSED SESSION:		
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	CCSF v ARCO		40
	Potential Litigation		40
M.	ADJOURNMENT:		40





# AIRPORT COMMISSION MEETING MINUTES

September 21, 1999

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Larry Mazzola, Vice President  
Hon. Michael S. Strunsky  
Hon. Linda S. Crayton  
Hon. Caryl Ito

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of August 17, 1999 were adopted unanimously.

No. 99-0288

\* \* \*

## D. SPECIAL ITEM:

Item Nos. 1 and 2 were adopted unanimously.

### 1. Retirement Resolution for Mr. Patrick F. Cookery

No. 99-0289

Mr. John Martin, Airport Director said that Mr. Corkery has worked for the City for 34 years, 30 of which have been spent in the Airport's Accounting Department.

### 2. Retirement Resolution for Mr. Gary Holsworth

No. 99-0287

Mr. Martin said that Mr. Holsworth is a 29 year City employee, 19 of which were spent with the Airport.

\* \* \*



E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 3 and 4 were adopted unanimously.

3. Award of Contract No. 5706A - Air Train Domestic Terminal Stations - Dennis J. Amoroso Construction Co., Inc. - \$23,912,237

No. 99-0290

Resolution awarding Contract 5706A, AirTrain Domestic Terminal Stations, to Dennis J. Amoroso Construction Co., Inc. in the amount of \$23,912,237.

This activity is within the scope of the San Francisco International Airport Master Plan Program, which was approved by the Airport Commission on November 3, 1992. The Program EIR prepared for the Master Plan adequately describes this activity and its potential environmental impacts for purposes of the California Environmental Quality Act (CEQA).

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that this contract covers the construction of three AirTrain stations, one each at Boarding Areas B, D and F in the existing terminal complex.

The Commission approved the call for bids in March 1999 and four bids were received on July 13, 1999, ranging from Dennis J. Amoroso's low bid of \$23.9 million, to S.J. Amoroso's high bid of \$25.6 million.

The engineer's estimate was \$20.1 million. All four bids exceed the engineer's estimate.

A thorough analysis by staff concluded that the primary reason for the high bids was the saturation of the construction market in California and, particularly, in the Bay Area. The contractor's pricing strategy is considerably less competitive than we were used to at the early stages of the Master Plan construction, and their mark-ups are higher to cover project complexities and site constraints.

The difference between the low bid and the available budget will be covered from program reserves and will be included in our next quarterly forecast.

The MBE/WBE participation goal was 7% / 3% respectively. The low bidder proposes 6.9% and 3.3%.



Airport and the HRC staff determined that Dennis J. Amoroso Construction Co. met the requirements of the bid documents and is eligible for award of this contract as the lowest responsive and responsible bidder.

Commissioner Strunsky noted that there was no pedestrian bridge at Boarding Area B. He asked if that has always been the case, or was it eliminated?

Mr. Kardos responded that one is planned, but it was eliminated from this package because a timing issue made it impractical. We would have had a bridge leading to nowhere for a long period of time. It will be included in the Boarding Area B reconstruction.

Commissioner Ito said that \$2.7 million is being requested for contract contingency and the Director is authorized to approve any substitutions for subcontractors. She asked that the Commission be provided with a report when those changes are made, as well as the use of the subs, and the M/WBE schedule and usage.

Mr. Kardos noted that Attachment A lists the subcontractors and the anticipated schedule timeline. He said that he will provide that information to the Commission.

4. Modification No. 14 to Contract No. 5500E - International Terminal General Construction - Tutor-Saliba/Perini/Buckley - \$11,296,557

No. 99-0291

Resolution approving Modification No. 14 to Contract 5500E, International Terminal General Construction, with Tutor-Saliba/Perini/ Buckley, A Joint Venture, in the amount of \$11,296,557 for work related to Airline revisions, Art Enrichment, design changes to facilitate construction, unanticipated conditions and change impact mitigation. Funding sources are budget transfers, current budget, and Program Reserve.

Mr. Kardos explained that this modification is a compilation of negotiated changes triggered by the airline-initiated revisions, Art enrichment work, design drawing coordination issues, unanticipated site conditions.

As detailed in the item before you, the funding sources are transfers from other contracts, contract contingency, and program reserve.

All of the changes have been reviewed and approved by the Master Plan Technical Advisory Board. The costs have been included in the cost forecasts presented to the Commission previously in our quarterly reports. This action formalizes those forecasted changes.

Commissioner Crayton asked what this does to the program reserve fund?

Mr. Kardos responded that it consumes part of the program reserves. As presented in the last quarterly forecast, this is part of the difference between the



\$104 million and the \$79 million presented to the Commission.

\* \* \*

G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 5 through 14 were adopted unanimously. Item No. 15 was put over to the next meeting. Item Nos. 16 through 23 were adopted unanimously. Commissioner Crayton was unanimously recused from voting on Item No. 18 due to a conflict of interest.

5. Award of Leases for the Food and Beverage Program in the New International Terminal

No. 99-0292

Resolution awarding leases to the slate of tenants listed on Attachment 1 for the Food and Beverage Program in the New International Terminal; and, authorizing the Airport Director to amend the food and beverage leases in certain respects.

Mr. Bob Rhoades, Deputy Director, Business explained that this item seeks approval to award leases for food and beverage in the new International Terminal program.

Last year the Commission approved the award of a contract to Pacific Gateway Partnership (PGP) to act as leasing agent on behalf of the Airport in securing the slate for the food and beverage program.

Over 700 mailings went out to communities to solicit interest in this program. Subsequently, 255 individuals responded. PGP and Airport staff formed a selection committee to screen the 255 applicants in order to proceed to Phase 2.

In Phase 2, 110 packages were mailed out to food and beverage purveyors, primarily in San Francisco and the Bay Area. Through a series of meetings, focus groups, site visits and a myriad of other tests, 61 applicants responded. The Committee then selected 16 leases from the 61.

This item seeks approval for those 16 leases. Of the 16, nine are San Francisco companies, six are companies in other Bay Area counties, one is a joint venture between a DBE outside of the Bay Area and a San Francisco business. Of the 16, 15 are DBE enterprises.

The leases are recommended for:

1. Firewood Cafe, Boarding Area A, a WBE with an Italian food theme. They are San Francisco-based.
2. D. Lew Enterprises, LLC, a joint venture, with an Italian bistro theme (Il Fornaio.) They are a San Francisco-based, African-American DBE.
3. A Joint Venture between Don Mitchell Concessions, Inc. and Harry Denton's.





Mitchell is the majority partner. He is an African-American DBE. There will be a Harry Denton's lounge on Boarding Area A.

4. Emporio Rulli will specialize in a bakery/cafe theme in the South Food Court. They are not a DBE.
5. Burger Joint, a San Francisco-based DBE (Arab-American). They will be located in the Food Court. This will be a hamburger/diner theme.
6. Osho, Japanese cuisine, based in Millbrae. Sushi will be the specialty.
7. Harbor Village, a San Francisco-based DBE specializing in Chinese food.
8. GQC Holdings, Inc., under the name of Qi. Betelnut, a San Francisco-based restaurant owned by George Chin, is the more familiar name. This will be the fine dining facility.
9. Ebisu, a San Francisco-based restaurant, will serve Japanese/Sushi in the Boarding Area G Food Court.
10. Full Moon Express LLC, based in Campbell and specializing in Chinese food.
11. Lori's Diner, based in San Francisco is Chinese American and will provide a hamburger/diner theme.
12. Willow Street Woodfired Pizza, based in San Jose is Hispanic owned and specializes in pizza and Italian food.
13. Andale Mexican Restaurant is an Hispanic-owned restaurant based in San Francisco-based.
14. Tomokazu is a DBE based in Burlingame and specializes in Japanese food.
15. Deli-Up Cafe, Arab-American owned specializing in deli products San Francisco-based.
16. Cafe Metro, an African-American based in Oakland, providing a bistro theme on the arrivals level.

Commissioner Ito noted that amendments to leases were also being requested.

Mr. Rhoades responded that as a matter of expediency there are adjustments to spaces that occur throughout the term of any given lease. This requests authorization for the Director to make minor changes to the leases primarily relating to space issues. We are still adjusting space as we speak because these spaces have not yet been built out.

Commissioner Strunsky noted that we will face a breaking-in time in the new International Terminal. He hoped that these new tenants recognize that it will



probably be slow for a time and hoped that they can weather it. He believed that these will be very lucrative leases.

Commissioner Crayton thanked Commissioner Strunsky for his remarks as they are important for new entrants at this level. She thanked staff and PGP for their foresight and selection of these companies. She is very pleased with the DBE representation and the various ethnic communities. This selection clearly represents San Francisco's ethnic diversity.

Commissioner Ito acknowledged the hard work of Bob Weinberg and Pacific Gateway and our staff who worked so hard on the outreach. Not only are we establishing a model for the country in terms of diversity, but for the premiere businesses we have secured as well. She hoped that the new entrants will feel free to bring to our attention the kinds of support necessary to make this a successful venture.

Ms. Shelley Kessler, Executive Secretary/Treasurer of the San Mateo County Central Labor Council expressed her deep gratitude to the Airport, PGP and the people who worked with the labor community to help establish a continued positive relationship with the Airport.

There is wall to wall representation in the existing terminals for all of the food service. There has not been a labor dispute at the Airport for 30 or 40 years. They would like to think that is because of the good working relationships with the employers. The Airport had the foresight to consider working with the unions in the way the leases were done. Mr. Martin, Bob Rhoades and other staff members, as well as Pacific Gateway, created landmark work for everyone to continue this relationship.

6. Adoption of Environmental Commitments in Support of the Runway Reconfiguration Program

No. 99-0293

Mr. Martin explained that this resolution would demonstrate the Commission's strong support for achieving an environmental gain from the Airport's Runway Reconfiguration Project.

The Commission earlier adopted a resolution stating that there would be no shift in noise, and, in fact, would achieve significant reductions in noise from a runway reconfiguration plan.

Building on that, the resolution before the Commission states that the Commission will only adopt a runway reconfiguration plan if it demonstrates significant net environmental gains, including gains to the Bay itself, that the Airport is committed to conducting complete environmental studies in accordance with State and Federal laws, and that the Commission will fund an environmental liaison office to help coordinate input from environmental organizations and environmental leaders. We are working with environmental leadership now toward establishing an



agreement pertaining to such an office. We will use all feasible means to reduce the delays that we are experiencing today, including using technology and rule-making. Even with the runway reconfiguration, we will still need these measures to handle traffic.

The Commission reiterates its strong support for high speed rail. The Commission has already gone on record in support of high speed rail, and we continue to believe that high speed rail will be important to meeting the surface access needs to the Airport, and in helping to reduce flight operations in California.

Further, the Commission continues to support water transit and has already taken action in support of it.

The resolution will be helpful in demonstrating to the environmental community the Commission's support for achieving an environmental gain through this process.

Commissioner Ito noted the statement of "returning thousands of acres to the Bay" and wondered why we were being so general.

Mr. Martin responded that he would like to state that in a resolution, however, the attorneys and planners advise him that under Federal law we cannot discuss a specific mitigation package or a plan that has not yet been finalized. In order to avoid potential problems we are not stating anything specific.

Commissioner Ito asked if we are comfortable in using the term "thousands."

Mr. Martin responded that he expects that we will have to return several times the acreage to the Bay that would be taken. That would mean thousands of acres.

Commissioner Strunsky said that he was in favor of this resolution. He noted that the second page speaks to the fact that in two years we will have a precision runway monitoring system and simultaneous offset instrument approach which will help us to the tune of about 15% to 30%. He understood that that was about a year away. Are we experiencing delays in getting that in place? Is there anything the Commission can do to help?

Mr. Martin responded that it has been a slow process in getting ALPA to agree to the procedures that would have to be used, as well as a slow process with the contractor that will be installing the equipment, and hang-ups with the FAA itself. He is going back to Washington next week to discuss this issue, among other things.

Commissioner Crayton asked when the Regional System Plan will be completed.

Mr. Martin responded that it is scheduled for completion at the end of this year, but may roll over into the beginning of next year.

Item Nos. 7 through 11 were called together.



7. Authorization to Issue a Request for Proposals for Project Control and Resource Consultant for the Runway Reconfiguration Program

No. 99-0294                      Resolution authorizing issuance of a Request for Proposals for Project Control and Resource Consultant for the Runway Reconfiguration Program in an amount not-to-exceed \$2,000,000 for the first year.

Ms. Peg Divine, Deputy Director, Airfield Development Program explained that this item requests services for schedule reports, trend reports, cost and budget reports, cash flow projections, to anticipate problems and recommend solutions, and to provide expertise and resources to augment staff on an as-needed basis.

This would be a time and materials contract.

8. Authorization to Issue a Request for Proposals for Mitigation Site Planning and Assessment Consultant for the Runway Reconfiguration Program

No. 99-0295                      Resolution authorizing issuance of a Request for Proposals for Mitigation Site Planning and Assessment for the Runway Reconfiguration Program, including land use, preliminary site assessment, wetland assessments, and habitat assessments in an amount not-to-exceed \$500,000.

Mr. Divine explained that this contract will identify mitigation sites. There were 135 potential sites identified in the runway reconfiguration feasibility study. Others have been identified. We need to do site assessments, wetlands assessments, habitat assessments, mitigation plans and monitoring plans that would need to be included in our draft environmental impact report and draft environmental impact statements in order to meet the CEQA and NEPA laws.

Commissioner Ito said that she has been talking to representatives from Japan who are planning an airport in Nagoya. They expressed some concerns regarding Kansai Airport and its serious soil problems and sinking runways. She asked if we will be looking at this.

Ms. Divine said that we have consultants who are expert in the soil technology field. She will be taking a trip with the engineering contract manager and one consultant representative. They will visit five Asian airports, both those that have worked out well and those that have not.

Commissioner Strunsky asked if they will look at the floating runways.

Ms. Divine responded that they will be visiting with the MegaFloat people as well as airport officials.





9. Authorization to Issue a Request for Qualifications for NEPA/CEQA Technical Review Services for the Runway Reconfiguration Program

No. 99-0296 Resolution authorizing issuance of a Request for Qualifications for NEPA/CEQA Technical Review Services, including peer review of FAA/OER Consultant work products and NEPA/CEQA technical advice in an amount not-to-exceed \$250,000.

10. Award of a Sole Source Contract to the Regents of the University of California to Study the Potential for Restoration and Supplementation of San Francisco Bay Pacific Herring and Olympic Oyster Habitats

No. 99-0297 Resolution awarding a sole source contract to the Regents of the University of California to study the potential for restoration and supplementation of San Francisco Bay Pacific Herring and Olympic Oyster habitats in the vicinity of the reconfigured runways in an amount not-to-exceed \$306,000.

11. Authorization to Issue a Request for Qualifications for Santa Clara Public Information Services

No. 99-0298 Resolution authorizing issuance of a Request for Proposals to develop and implement a public information program within Santa County for the Runway Reconfiguration Program in an amount not-to-exceed \$120,000.

Item Nos. 12 through 14 were called together.

12. First Supplemental Providing for a Third Series of Commercial Paper Notes

No. 99-0299 Resolution amending and restating the first supplemental resolution to provide for a third series of San Francisco International Airport Subordinate Commercial Paper Notes.

Mr. Marcus Perro, Deputy Director, Finance explained that in 1997 the Airport Commission established the Commercial Paper Program as a means of providing low cost funds for financing certain costs of the Master Plan and infrastructure work. We implemented the program narrowly in scope, financing only the new International Terminal and some of the Boarding Area work.

We are now seeking to broaden the scope of the program as provided for in Resolution No. 97-0147 which established the program. Broadening this Program



will allow us to fund projects which have been deemed taxable by our Bond Counsel, it will allow us to comply with tax laws, and it will allow us to achieve a financial savings relative to our long term borrowing cost.

Right now the Commercial Paper Program has an average cost of about 2.9%, in comparison to our long term bond cost of 5.6%. By utilizing Commercial Paper to fund capitalized interest on certain projects and soft costs on certain projects, we are able to lower our borrowing costs and thereby further the Airport's goals of maintaining and improving its financial and economic vitality.

13. Amendment to Documents Associated with the Establishment of a Third Series San Francisco International Airport Subordinate Commercial Paper Notes

No. 99-0300	Resolution providing for the amendment to documents associated with the establishment of a third series of San Francisco International Airport Subordinate Commercial Paper Notes.
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14. Amendment to the Commercial Paper Program's Tax Certificate

No. 99-0301	Resolution authorizing Airport staff to amend the Tax Certificate relating to the San Francisco International Airport Subordinate Commercial Paper Notes.
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Item No. 15 was put over to the next meeting.

15. Award of Contract No. 5530E - Taxiways A and B Realignment - East Phase Pavex Construction Company/JMB, A Joint Venture - \$7,461,555

Resolution awarding Contract 5530E, Taxiways A and B Realignment - East Phase, to the lowest responsive, responsible bidder, Pavex Construction Co.,/JMB, A Joint Venture, in the amount of \$7,461,555.

Mr. Ernie Eavis, Deputy Director for Facilities Operations and Maintenance explained that this is the fourth phase of a series of contracts which realigns Taxiways A and B at the entrance and exit to the new Boarding Area G.

Bids for this contract were opened on July 8, 1999. The apparent low bidder was John Jenkins Construction. That bid was protested by the second and third low bidders, Pavex Construction and DeSilva Gates Ramirez respectively.

The Human Rights Commission, as a result of those protests, determined that John Jenkins failed to meet the MBE/WBE affirmative action goals for the project and failed to show good faith efforts to meet those goals.



It was also revealed through the protest that their bid bond was not valid in California.

HRC has recommended that the contract be awarded to the second low bidder, Pavex Construction.

DeSilva Gates filed a protest to the Pavex bid. The City Attorney ruled that the protest had no merit.

Commissioner Ito requested a written report regarding the schedule and useage of the subcontractors.

Mr. Charlie Walker asked to speak after the representative of the bonding company.

Mr. Richard Bunn, attorney for DeSilva Gates/Rameriz, the third low bidder, alleged that Granite Rock's bid bond is also invalid. The bond lists JMB Construction and Granite Rock Company, a Joint Venture, while the bid is submitted in the name of Granite Company, dba Pavex Construction and JMB Construction, a Joint Venture.

The City Attorney opines that this is simply a matter of names and a reversal of the names of the joint venture partners. However, this is not just a matter of switching names, it is a completely different legal entity. Typically, when the names of the joint venture are reversed like this, it means that the percentage of work assigned to the different JV partners is different.

It is his clients recollection that in one bid to the Airport, a bid was submitted in the name of the current bid bond name, Granite Rock Company, dba Pavex Construction and JMB Construction, in order to alter the amount of local business entity credit and WBE credit that would be attributed to that particular joint venture.

An invalid bid bond gives Pavex a competitive advantage because it could withdraw its bid without penalty. A difference in the name of the bidding party and the principal named on the bid bond is a fatal defect in the bid bond. A bid bond which names a principal different from the bidding entity identified in the bid is deficient and the defect may not be waived as a minor informality. This is the holding of all of the relevant authorities from the Comptroller General of the United States who has ruled on hundreds of these matters and has been cited by the City Attorney often in deciding bid protests.

The law construes the terms of the bonds in favor of the surety company and any doubt about whether the surety can be held liable under the bond is resolved in favor of the surety company. Therefore, if the liability is not clear, the bond is unacceptable and the bid must be rejected as non-responsive. Because the bid bond does not list the name of the bidder, but a different joint venture entity, the bid bond is invalid and the bid of JMB Construction/Granite Rock Company must be rejected.

Mr. Martin explained that all of these questions have been presented to the City Attorney's Office and the determination has been made that the Pavex bid is valid.



Ms. Christine Haas, attorney for Granite Rock dba Pavex Construction/JMB Construction, a Joint Venture, said that contrary to Mr. Bunn's contentions, Granite Rock/JMB's bid bond is valid. It was issued by National Fire Insurance Company, a licensed corporate surety. The form and amount is correct. The bond names the principal as JMB Construction and Granite Rock Company, a Joint Venture, while the bid specifies Granite Rock Company dba Pavex Construction and JMB Construction, a Joint Venture. This is a distinction without a difference.

There is one joint venture between these two companies and one contractors license. This joint venture has successfully completed numerous projects for San Francisco Airport. The reverse order of the names on the bond is without legal significance.

The issue is whether the Airport will receive the full and complete protection contemplated in the event the bidder fails to execute the required contract documents and deliver the requisite performance bonds. The answer is that it will.

The DeSilva Gates/Ramirez protest is without merit.

The Comptroller General decisions have been briefed in their correspondence dated July 26, 1999 and August 12, 1999. They have addressed and dismissed each one of the contentions.

Comptroller General decisions have held that the name of the bidding entity need not be exactly the same in all of the bid documents so long as it can be established that differently identified identities are actually the same. More specifically, the courts have held that a bid is responsive with a name appearing on the bid different from that appearing on the bid bond, but the discrepancy appeared to be a matter of form which did not effect the identity of the firm or the liability of the surety to the government if the bidder were to refuse the award documents.

There is no such disconnect in their situation. There is one legal entity involved in the bid ... the joint venture between Granite Rock Company, dba Pavex Construction/JMB Construction. The bid and bond unambiguously identifies these parties as the joint venturers. Granite Rock and JMB is entitled to award of this contract.

Mr. John Jenkins, Jenkins Construction asked to relinquish his time to Chris Albert.

Mr. Chris Albert said that this is a matter of minorities submitting a bid on a project with no help from a majority firm. This contract should be awarded to Jenkins.

Commissioner Ito asked Mr. Albert to explain his role in this.

Mr. Albert responded that he works for Mr. Jenkins as an estimator for this project.

Commissioner Strunsky said that apparently the bond that was submitted was not issued by a licensed corporate surety in California.

Mr. Albert responded that he was not able to discuss that issue, however that is not





true. Airport staff could have obtained documents from the bonding company that would show that they are licensed.

Commissioner Strunsky asked Mr. Albert if he was alleging that the Commission has been presented with incorrect information.

Mr. Albert said that they have asked for a 30 day extension because they had no time to prepare any response. They do not know how staff came to this conclusion. This has been rubber stamped.

Commissioner Ito responded that no decision has been made. The information being presented is important to hear.

Mr. Albert said that in the Alameda County Court House the admitting insured book number for Cal Marine ESOP is 15523. That information can be accessed by calling 510-272-6787. The address is 1225 Farralon Street, Room 100, Oakland, CA 94612.

Commissioner Strunsky asked if the company that submitted the bid bond will be the same company that will provide the payment and performance bond if Jenkins is awarded the contract.

Mr. Albert responded that they will.

Commissioner Strunsky asked if anyone from Cal Marine is present.

Mr. Albert responded that due to the legal nature of this particular contract they are unable to speak about this.

Commissioner Crayton asked if the person who provided the bond is present.

Mr. Albert responded that the person who signed the document is not present.

Commissioner Crayton asked if someone from the company is present who can stand up and state that they are licensed to operate in the State of California.

Mr. Albert responded that that person would not have that authority.

Commissioner Crayton said that that is the issue. We want to deal with the issues. It is the policy of this Commission to award contracts based on certain information. Once an envelope is open you need to have what you need to have in there. This Commission would be very happy to award this contract. This fits in with what we want to do but we need to do it correctly. This Commission does not rubber stamp. She is insulted that Mr. Albert made that statement. This Commission works very hard not to do that. This Commission deals with the facts, and it is an indisputable fact that this information has been checked out. As a result, the Commission's hands are tied. When the Commission has accurate, factual information that follows the procedures they can work on everyone's behalf, especially the little guy. However, the Commission must go by the rules.



If that representative were present, the Commission could obtain the necessary information so that they could back up their decision. This Commission is not afraid of anyone's investigation because we intend to do it right.

Mr. Chris Cox, Deputy City Attorney explained that the second and third low bidders identified this issue to the Airport in their bid protest. They alleged that this surety bonding company was not a legal insurance surety company in California. He contacted the State Department of Insurance and the Insurance Commissioner and asked if Cal Marin ESOP or Cal Marine Industries ESOP and Trust were licensed to practice surety insurance in California. They provided a letter dated August 13, 1999 which indicates that those companies, as of July 8, the bid date, were "not now nor have ever been licensed by this Department to transact business as insurers in the State of California." They also provided the Airport with a copy of a permanent order to cease and desist that was issued to Cal Marine and Trust, barring them from representing that they are able to do business in the State of California. They have received no information to the contrary.

Commissioner Strunsky asked Mr. Cox if this information was passed on to Mr. Jenkins.

Mr. Cox responded that the information was provided to them yesterday.

Commissioner Strunsky said that Jenkins has been assuming that they have a valid surety.

Mr. Cox responded that the bid protests were forwarded to them.

Commissioner Strunsky said that the bonding company responded that that information was wrong. We have had this document for a month but only provided this information to them yesterday.

Commissioner Crayton asked if there were ramifications to delaying this award. She asked if there were any other issues regarding this award.

Mr. Eavis responded that the Airport received a letter from the Human Rights Commission stating that John Jenkins does not meet the M/WBE goals and failed to make good faith efforts to meet the goals. Therefore, the HRC has deemed John Jenkins non-responsive, and the contract should be awarded to the second low bidder.

Commissioner Strunsky asked if this was a joint venture.

Mr. Eavis responded that it is not. It is solely John Jenkins Construction.

Mr. Eavis read from the HRC letter. "The first bidder, John Jenkins Construction, listed 12% MBE and less than 1% WBE goals. John Jenkins Construction did not meet the goals, nor conduct good faith efforts on this contract. In addition, John Jenkins did not meet certain bid requirements as determined by the Department and is ineligible for further review."



Commissioner Crayton asked how this works on a single minority bidder.

Mr. Eavis responded that even though they are a single minority bidder, they must still meet the MBE and WBE goals. John Jenkins failed to meet those subcontracting goals.

Commissioner Crayton asked if they understood that.

Mr. Eavis responded that it is part of the bidding procedures for all City contracts and it is in the specifications.

Mr. Martin responded that we have seen a number of bids in the last several years where minority and women contractors properly submitted bids on a prime basis. Contractors are required to submit good faith efforts documentation if they fail to meet the goals. John Jenkins failed to do that.

Commissioner Crayton said that she was dismayed by this whole process. Because of some legal issues we are not able to award, through no fault of the Airport.

Commissioner Crayton noted that they have been doing work with the City since 1992 and they are aware of this requirement. The Airport's hands are tied.

Mr. Albert said that the Human Rights Commission does not thoroughly review the documents. That has been one of the complaints of the minority community and one reason why the FBI is investigating them.

The Human Rights Commission recommends award to Pavex (Granite). Jenkins listed every minority that they could. They utilized every trucker in San Francisco. Pavex only utilized one and that one is exaggerated to meet the requirements. This has been going on since he has been a contractor. In 1989 with O'Grady Paving, in 1990 when Dennis Bouey was at the Airport and Ed Lee was with the HRC.

There isn't \$420,000 worth of trucking on this job. Their bid is not realistic. Truckers don't bid lump sums, they bid per hour rates. It's up to the prime to determine the value of the trucking.

No one from HRC called Jenkins Construction. No one looked at their response to the complaint.

These bids are substantially above the engineer's estimate. Last year the Commission turned down these two companies because they bid too high.

Commissioner Strunsky asked Mr. Albert if Bass Electric had bid the electrical work.

Mr. Albert responded that Bass Electric was owned and operated by Rosendin Electric. Bass Electric gave them a bid that was \$400,000 higher to insure that their bid would be too high.

They utilized competitive prices from white and minority companies. They did not discriminate. They provided a realistic bid.



Contract No. 5530 is not listed in the Labor Agreement. That means the specifications are probably flawed and the Airport probably fouled up on the Federal guidelines.

Commissioner Crayton asked Mr. Albert to address the issues that are being represented today, not what has happened before, or any FBI investigations.

Commissioner Crayton said that Airport staff provided information that the bonding company is not licensed to operate in California. She asked if they have secured another bonding company.

Mr. Albert responded that they have not. The Department of Insurance currently has an involuntary bankruptcy filed against them which means that they cannot speak about this issue.

Commissioner Crayton said that bidders need to have a legally recognized bonding company. Cal Marine should have informed Jenkins of this action against them. It is important to Jenkins to get this contract, and it is important to the Commission that companies like Jenkins get these contracts. However, we have specific rules and specifications that we need to follow and one of them is that a bidder must have a recognizable bond. That is missing and that ties our hands.

The other issue speaks to HRC requirements that have not been met.

Mr. Albert asked if the other irregularities he brought before the Commission are irrelevant in awarding this contract to the next lowest bidder.

Commissioner Crayton responded that she was not saying that.

Mr. Albert reiterated that the information about the bond is not true.

Commissioner Crayton said that she has enough questions to require revisiting this issue.

Commissioner Mazzola said that Mr. Albert claimed that no one from the Human Rights Commission has contacted him.

Mr. Kevin Williams, Human Rights Commission responded that notification is typically given to the Project Manager, and that individual notifies the appropriate parties. Mr. Jenkins claims that he attempted to obtain bids from a number of other minority and women bidders. Neither he nor anyone on his staff was aware of that.

Commissioner Mazzola said that in light of the fact that the Jenkins Company was just notified yesterday that their bonding company was not valid, and that the HRC did not give them the opportunity to dispute any of the reasons for non-compliance, he recommended putting the item over.

Mr. Martin said that we can hold this over for two weeks, but we are not in a position to re-bid this contract. This is a 230 day contract. The terminal opens in 265 days. There is no way we can rebid. We can hold this over and return to the Commission





with additional information to clarify these issues. It is very important that the contract be awarded at the next meeting.

Mr. Bunn asked if the time to award will expire. Are we up against a deadline with the bid documents?

Mr. Martin responded that that is not a problem.

Mr. Eavis responded that the 60 day period has already lapsed on awarding this contract. Pavex has agreed to hold its bid. The others would also have to agree to hold their bids.

Mr. Jenkins agreed to extend his bid.

Ms. Haas said Pavex will extend.

Mr. Charlie Walker said that as a central figure in all of these investigations, something has to be done to help the African American people. A look at the statistics reveals that only one half of one percent of all contracts City-wide go to African-Americans.

The rules of the game were made before his people were allowed to participate. They have the same stringent rules that Tutor-Saliba has. No one has figured out a way to include African Americans. Something is wrong with the system.

The idea that the Human Rights Commission requires a known African American company to prove that he is African American is ludicrous.

White America has to come to the realization that they were ex-slaves. They don't have the same situation as whites or Latinos. It's a different situation but no one wants to admit it.

North Carolina, New York, Chicago, New Jersey all have the same problem.

The contracts need to be worked in a different way. This is not working.

Commissioner Crayton thanked Mr. Walker for his comments. She asked him if he had any positive suggestions regarding informational or communication materials for the Airport to hand out that might assist us in this process. The Airport has been trying very hard.

Mr. Walker said that he realizes that the Airport has been trying. He said that at one time he had a contract with the Redevelopment Agency to demolish buildings. The Redevelopment Agency would not allow him to do the work because he could not obtain bonds. However, the buildings were all less than \$4,500 so he put up his own money. Every time he finished one building, he rolled that money over to another building.

Somehow we have to come up with a method that works. You only pay for what is done. If a contractor is only paid for what he does upon inspection, what is the need



for \$6 million worth of bond if he is only doing \$300,000 worth of work.

Commissioner Crayton said that the Airport has a Surety Bond Program. If we need to give more of that information out, we will do that. Other than to physically drag people off the street, the Airport has done many things to get African Americans involved. She is very interested in this area. The Airport is committed to this. There are things that tie our hands. We want to do all we can to support anyone in this endeavor. If there is something else we can do, we would appreciate constructive information as to how we can fix it.

Mr. Walker said that no one can stand here and simply tell you where we can go to fix it. Even if he did, no one would listen. Regardless of how well meaning you are, the fact of the matter is that the system does not work for African Americans. What do we do now that we know it doesn't work?

Commissioner Ito said that she has worked for over 30 years to help make things better for minority communities. She can understand the level of his frustration in that in 1999 we are still asking the questions being presented today.

After serving on this Commission for a year she must come to the Airport's defense regarding changes we are trying to make. The Mayor has appointed people like her to make sure that concerns like his are listened to and to try and make policy changes that are responsive, but he has to work with them. It takes a partnership with people like him who have achieved a certain level. You may not be happy with where you are, but there are many like you in the communities who can help others to raise themselves up. As we raise each other up, we can all get better.

We are trying to make changes. She is frustrated after 30 years but we are heading in the right direction. With your help and the help of others we can do things better. We are headed in the right direction.

Mr. Walker told Commissioner Ito that she did not understand what he was saying. He never said that the Airport is not trying, he said that it is not working. African Americans are misunderstood by the very statements that she just made. John Martin has done everything in his power, but it is the State law that isn't working. He never meant to imply that the Airport was not trying. This is probably the best Commission in the City.

Commissioner Ito said that that is probably why 209 passed in this State. You have a lot of people believing that it is not working, so it worked against us in our effort.

16. Authorization to Reimburse the Airline Liaison Office for Work Performed on Behalf of the Airport - \$9,239,000

No. 99-0302

Resolution approving reimbursement to the Airline Liaison Office for the design and construction of certain improvements in the new International Terminal on behalf of the Airport in an amount not-to-exceed \$9,239,000.



Mr. Kardos explained that this proposed resolution authorizes the Airline Liaison Office (ALO), operated by Airport and Aviation Professionals, Inc. to undertake the design and construction of building infrastructure extension work necessary for the future construction of tenant improvements in the new International Terminal and Boarding Areas.

The ALO has been retained by the airlines to undertake the design and construction of their respective tenant finishes. Prior to this work proceeding, certain building infrastructure and system extension has to be completed.

In order to efficiently accomplish both the predecessor and successor activities of the tenant improvement task, the Airport and the ALO agreed to have the ALO design, construct and manage certain utility work and the associated engineering support during the construction. The ALO's management responsibility extends to some construction work executed by the Airport's base building contractors.

In order to proceed expeditiously with the predecessor tasks accommodating the timely completion of the tenant improvements in the new International Terminal and the Boarding Areas, approval of this resolution is recommended.

Commissioner Strunsky noted that the design costs are half of the construction costs.

Mr. Kardos responded that the ALO is performing about \$6.2 million and the Airport performs an additional \$11.2 million. The soft costs relate to the \$17.2 million.

17. Modification No. 3 to Contract No. 5515C - Security and Special Systems - Terminal Systems Package - SASCO, Inc. - \$3.79 million

No. 99-0303

Resolution authorizing Modification No. 3 to Contract 5515C with SASCO, Inc. to provide a Fiber Optic Telecommunications Transmission System and upgrade the Lan/Wan Network for the New International Terminal Complex at a total cost not to exceed \$3.79 million.

Ms. Theresa Lee, Deputy Director, Administration explained that this item requests approval to fund the fiber optic telecommunication system and upgrade the local area wide network (LAN) for the International Terminal Complex. Funding will come from the Airport's discretionary capital funds.

The purpose of the telecommunications transmission system is to provide the International Terminal Complex with a broad band communications network that is capable of delivering diverse routed, redundant and continuous service.

Commissioner Strunsky wanted to make sure that we expedite the second MPOE. If there is a weakness in our communication system, it would be that.



Commissioner Crayton was unanimously recused from voting on Item No. 18 due to a conflict of interest. Item No. 18 was unanimously adopted.

18. Award of Lease to Turn-Key Public Communication Concession - Pacific Bell  
Minimum Annual Guarantee: \$2.5 million

No. 99-0304                      Resolution awarding the Turn-Key Public Communication Concession in the existing Terminal and the New International Terminal to Pacific Bell with a Minimum Annual Guarantee of \$2.5 million.

Mr. Rhoades explained that this item seeks approval to award the Turn-Key Communications concession to Pacific Bell.

On August 6, 1999 staff received proposals from Pacific Bell and Telequick Communications Group (TGC), San Francisco. Both proposals met the minimum qualifications. The scores were almost identical after the first round. Both firms were subsequently invited to make oral presentations. Pacific Bell scored higher during this round.

Under the proposal, Pacific Bell will pay the Airport the greater of the minimum annual guarantee of \$2.5 million or 9.12 cents per passenger. According to current enplanements that would be equal to approximately \$3.7 million a year in revenue. This is significantly greater than the combination of the individual contracts currently in place. As part of their proposal, Pacific Bell will sublease 35% to DBE businesses. Five firms, both minority and women owned, have been selected to run various aspects of the business.

19. Approval of the Disadvantaged Business Enterprise Subleasing Program for the  
Post-Security Master Retail/Duty Free Concession Lease No. 99-0035

No. 99-0305                      Resolution approving the Disadvantaged Business Enterprise Subleasing Program for the Post-Security Master Retail/Duty Free Concession Lease No. 99-0035; authorizing the amendment to the Lease to expand the premises and approve the subleasing of such expanded premises; and authorizing the Director to amend the Lease in Certain Respects.

Mr. Rhoades explained that under Resolution No. 99-0035 the Master Retail Duty Free Concession Lease was awarded to DFS Group LP. As part of the condition of that lease they are required to sublease 30% of the space to minority and women owned businesses. This item seeks approval of the slate for the subleasing program..

DFS has selected five firms to manage various retail facilities under the program. Ralph Glenn is African American and will sell sunglasses, watches and travel accessories. Pamela DelDuca (WBE) of CalStar Retail will operate a gourmet and packaged food and candy shop. Tan Enterprises (MBE) will sell T-shirts and team sports. There is a change in the package that occurred yesterday afternoon.







Originally, Donetta Stafford, an African American WBE, and Susan Heller were going to joint venture. Ms. Heller has decided not to proceed. The managing partner of the joint venture, Donetta Stafford, will sell travel accessories, leather goods, and apothecary items. The last is Pacific Gateway Concessions (Hispanic DBE) operating news and gifts.

The package seeks approval to increase the amount of space. By separate bid process, the Airport put out proposals for a drugstore and a unisex apparel lease. He is proposed that they be included in this lease. The lease provisions do allow for that. One of the facilities will be sublet to Esprit, and the other would be run by Donetta Stafford, a DBE.

Commissioner Crayton asked if Pacific Gateway Partnership and Pacific Gateway Concessions are associated.

Mr. Rhoades responded that they are not.

Commissioner Strunsky asked if any thought has been given to a pharmacy.

Mr. Rhoades responded that the original intent was to have a drugstore with a pharmacy component. Staff had numerous discussions with chains such as Long's and Rite Aid but were unable to generate any interest. Pharmacies are high cost operations, and there is no evidence that an airport can sustain such an operation.

Commissioner ito asked if Donetta Stafford has experience in other airports.

Mr. Rhoades responded that Donetta Stafford is a certified M/WBE who currently operates facilities in the existing International Terminal.

## 20. New International Terminal Airline Leases

No. 99-0306  
thru  
No. 99-0331

Resolution authorizing (1) Modification of Airline/ Airport Lease and Use Agreements: Alaska Airlines, China Airlines, Japan Airlines, Mexicana Airlines, Northwest Airlines, Philippine Airlines, Singapore Airlines and United Airlines; and (2) new Lease and Operating Agreements for the following airlines: Aeroflot, Air China, Air France, Alitalia, All Nippon Airways, Asiana Airlines, British Airways, Cathay Pacific, China Eastern Air, EVA Air, Finnair, KLM, Korean Air, Lacs, Lufthansa, Ryan International Airlines, Swissair, and Virgin Atlantic Airways.

Mr. Rhoades explained that this is the culmination of years of negotiations with the airline community regarding space in the new International Terminal. This item seeks approval to modify agreements with eight of the international carriers and adds 16 lease and use agreements for the rest of the international airline community.



In principal, these modifications and new leases reflect the space changes from the existing International Terminal to the new International Terminal, with one caveat. Under the new program, the Airport will have greater flexibility to reallocate space or relocate airlines based on the rise and fall of their flight activity. We do not have that under the existing agreements. The airline community has agreed to this. We believe this will help us maximize efficiency in the new terminal as business grows.

Mr. Ken Jacobs, San Francisco Living Wage Coalition said that they are deeply concerned that these leases are being considered at this time without any Living Wage conditions or policies in place which would apply to the airlines and their subcontractors.

The airlines in San Francisco earn among their highest profit rates in the United States while many thousands of workers at the Airport continue to earn below poverty wages. There are currently an estimated 9,300 employees at SFO who earn less than \$10.50 an hour, which is the food stamp eligibility rate for a family of four.

Of particular concern are the pre-security screeners who currently earn \$6.00 to \$7.00 an hour. Most of them work more than one job. These positions have an extraordinary turn-over rate. Other low wage positions are fuelers, baggage handlers, ramp service agents, cabin service, and airline administrative support.

Although the Board of Supervisors has not yet acted on Living Wage, he asked the Commission to hold up approval of these leases until such policies are in place. He would be happy to provide information on these positions if the Commission wishes.

Commissioner Berman asked who the principals are in this organization.

Mr. Jacobs responded that this organization consists of over 30 clergy and parishes in San Francisco, the San Francisco Labor Council and many of its member unions, as well as a number of community organizations such as the Coalition for Immigrant and Refugee Rights. The vast majority of these workers are minority and immigrant workers as well as members of the African American community.

Ms. Shelley Kessler said that she has been asked by the San Francisco Labor Council to represent their position regarding this issue.

There is deep concern about the ability of employers to provide decent benefits and wage scales for their employees. Given that SFO brings in incredible profits for companies, including airlines, she has been asked to express concern regarding their obligation and responsibility not only for their own employees but for the employees with whom they contract to provide a decent level of pay.

The average turn over for security screeners is six weeks. This does not leave adequate time for training, and it doesn't provide good retention of qualified employees. It is predominantly minority workers that are making very low wages.

It has been determined that a single parent living in San Francisco would need \$14.00 to \$15.00 an hour to exist. Recently, in a study that was provided by the National Low Income Housing Coalition, they found that a minimum wage worker in



San Francisco would have to work 146 hours a week to afford rent in a two-bedroom unit. In order to afford a two-bedroom unit in San Francisco, a worker would have to earn \$22.44 an hour for a 40 hour week. In San Jose it's \$21.90, Watsonville is \$18.35. This is almost three times the current minimum wage.

She is not asking the Commission to impose that, she is asking the Commission to consider holding the airlines and other subsequent employers to a standard where they would consider paying and compensating their workers with wages that are affordable in this market.

Commissioner Strunsky said that he did not understand what Ms. Kessler wanted the Commission to do with this resolution.

Ms. Kessler responded that she would encourage the Commission to advocate for such a policy at the Board of Supervisors. The Commission has the right and the ability to set minimum standards for labor. She urged consideration of this issue and asked the Commission to formulate a policy to help set the basis for at least minimum standards.

Ms. Kessler asked the Commission to include a policy in the resolution requiring minimum standards. It is not unreasonable to ask the airlines to set a standard of 10.50 an hour.

Commissioner Strunsky said that this list only includes international airlines. Wouldn't another form be a more appropriate place?

Ms. Kessler responded that it may very well be. She encouraged the Commission to consider this as a policy for standards throughout the Airport.

Commissioner Crayton noted that we are essentially entering into agreements in spite of where the airlines are in the compliance process.

Mr. Rhoades responded that only recently have certain major carriers agreed that they would provide this type of benefit. They are submitting their paperwork to the Human Rights Commission. The airlines will have to work on parallel tracks to achieve compliance with the Equal Benefits Ordinance and at the same time undertake their construction activity in the new International Terminal which begins next month.

Commissioner Mazzola asked if the screeners worked for private contractors.

Mr. Martin responded that they do. Some airlines also contract with private companies to do the fueling. He is finalizing a proposal that will require those service providers to sign new permits establishing specific training standards for their employees, on-going training, and a wage standard in order to improve the tenure of their employees.

Mr. Jacobs added that the Living Wage legislation before the Board of Supervisors applies to leases, service contracts and their subcontractors. In the case of airline workers, if they are not included in these leases there might a way to do it through a



policy. The concern is that if they are not included in these leases, those workers would not be covered for a period of years. The cost to the airlines of moving everyone up to the proposed wage level plus health benefits would be about .06% of their revenues at the Airport. This works out to about \$1.00 per passenger. It is affordable and beneficial.

Commissioner Crayton asked what the proposed wage level was in the Board's proposed legislation.

Mr. Jacobs responded that Supervisor Ammiano's proposed wage level is \$11.00 an hour, plus health or cash equivalent.

21. Modification No. 1 to Contract No. 5703A, Phase 1 - AirTrain Operating System  
Adtranz - \$17,383,741

No. 99-0332

Resolution authorizing Modification No. 1 to Contract No. 5703A, AirTrain Operating System, with Adtranz in the amount of \$17,383,741 for exercising Additive Fleet Alternate 4.5, and changes due to unanticipated field conditions.

Funding will be provided from the Airport's Capital Improvement Program budget and from existing contract contingency with no impact to the Master Plan Baseline Budget.

Mr. Kardos explained that this modification comprises the procurement of 13 additional vehicles at a total cost of \$16.8 million and the finishing out of the AirTrain maintenance facility combined with some miscellaneous change order work amounting to \$500,000.

The amount of the change order is incorrectly stated in the information before the Commission. The correct amount is \$497,486 as indicated in the attachment, not \$539,381 as show in the narrative.

The operating system bid included a number of priced additive alternates that the Airport could exercise within a five year period after the bid opening. This modification will exercise one of those alternates at the quoted non-escalated bid price.

The finishing out of the maintenance facility was not included in the building contract in order to accommodate the specific requirements of the selected system technology. This modification incorporates the work into the operating system contract.

Vehicle procurement does not lend itself to M/WBE participation. Ninety percent of the finishing work will go to certified MBE/WBE firms. The resulting aggregate MBE/WBE participation for the overall contract is 13.52% compared to the base contract's 15.29%. The goal for the contract originally was established at 10%.





Commissioner Strunsky asked if this is the actual name of the system.

Mr. Martin responded that the name "AirTrain" has been trade marked at Kennedy.

Commissioner Strunsky noted that these 13 additional cars accommodate a significant expansion of the system over what was originally conceived and bid.

Mr. Kardos responded that these cars are for an extension of the United Maintenance Operations Center. It will pick up the existing Lot DD as well.

22. Authorization to Award a Contract with ShuttlePort/DAJA SFO Joint Venture to Operate the Curbside Management Program - Not-to-exceed \$5.9 million

No. 99-0333

Resolution authorizing the Director to award a contract to ShuttlePort/DAJA SFO Joint Venture to operate the Curbside Management Program on a year-to-year basis up to a maximum of five years, at an annual cost for the first year not to exceed \$5.9 million for the domestic terminal baseline service.

Ms. Alice Sgourakis explained that the Curbside Management Program will vastly improve customer service and hopefully encourage more people to use commercial ground transportation to access the Airport.

As a result of a request for RFPs issued in March of this year, three proposals were received. As part of the proposal review process, HRC guidelines were strictly followed and the cost proposal was kept sealed so that it was not considered during the review process. The winning proposer was selected based solely on qualifications, experience, project approach, and understanding of the project that was presented in the technical proposal.

Authorization was received at the July 13, 1999 Airport Commission meeting to negotiate a contract with ShuttlePort/DAJA, a joint venture firm. ShuttlePort is a subsidiary of ATC VanCom, a nationwide firm specializing in transportation. They experience in airport-related services elsewhere in the country.

DAJA, Inc. is a San Francisco-based certified minority business enterprise with a background in customer service and contract administration.

During contract negotiations, Airport staff was adamant in pursuing two paramount goals, the first of which was to craft a program that met the Airport's customer service needs and that also reflected staff's knowledge of the existing operations at the Airport and the operators involved in this program. Second, we were focused on the fact that it had to be cost effective and reasonable. The cost would be passed on to the operators through trip fees.

Following several weeks of intense negotiations, a contract budget was established that met both of those goals. The \$5.9 million budget for the domestic terminal baseline program represents a 50.3% reduction of the original cost proposal



submitted by ShuttlePort/DAJA. It is also lower than the other two proposals received.

In mid-August, following those contract negotiations, we met with the operators that will be involved with the program to introduce the contractor, brief them generally on the program's goals and objectives and to discuss the trip fee implications of the program.

Based on the comments received at those meetings, there is general support by the scheduled bus operators, limos, and taxis. Following contract award, we will provide additional ample opportunity for the affected operators to provide input as we finalize and refine the program.

Over the next three months the contractor will interview, hire and train staff so that the program can be implemented by January 2000.

Commissioner Ito understood that the dollar amounts were sealed, so the scope of services were honed down quite a bit.

Ms. Sgourakis responded that the program was crafted in conjunction with the contractor during this negotiation process to meet the Airport's needs and the operator's needs. It had to be reasonable or it would not work.

Mr. Robert L. Harrison, representing the Airport Coach Operators Association, an informal grouping of four of the largest bus operators ... SFO Airporter, Marin Airporter, Sonoma County Airport Express and Evans Inc. These buses carry about one million passengers a year to and from the Airport.

He requested that the Commission not authorize this contract. While they fully support the concept, they are concerned about the process and the fact that they do not know what this project will provide in any detail. These concerns were presented to staff at a meeting and in a letter to the Director.

They have been told that their fees will more than double to pay for this program. This means several hundred thousand dollars a year in additional fees. They do not know what they are buying for those fees.

They also wondered how the selected consultant could propose a program at \$12 million and end up with a program at \$5.9 million. It is unclear how those numbers line up.

It is impossible to evaluate the usefulness of the program based on the available information. He asked the Commission to delay approval of this contract and to open the process back up and let all of the operators become involved.

They believe that a successful curbside program must include ground transportation operators if it is to be successful.

Commissioner Crayton asked Mr. Harrison what details he needs answers to.



Mr. Harrison responded that he does not know what he is buying for almost \$6 million. Will passengers be provided with information about their particular kind of service. Will it be given emphasis over other operators? How will scheduled buses be handled compared to other operators? Where will the information be available? Is this 24 hours a day? What is the level of emphasis? How many people are involved.

Mr. Martin understood that all of these questions have been addressed. Hearings have been held over a period of a year.

Commissioner Crayton noted that the Commission specifically asked that operators be notified to insure their involvement.

Mr. Harrison said that he understood that the operators were invited to two meetings.

Mr. Rich Azzolino, Northern California Livery Group, representing 30 of the larger limousine operators regularly operating out of the Airport, said that he expressed concerns at those meetings. It was represented to him that there are three phases of the RFP. Are all three phases being approved, or just Phase 1. If it is all three phases, then phases 2 and 3 can be implemented at any time without coming back to the Commission.

His organization is concerned about Phase 2 because it will not allow them to operate as they do now. They may be stalls, gate meets could be eliminated.

Their high end corporate clients expect to be met at the gate, they expect great service and hand held to cars. They can't have another group herd their limousines into stalls and taking 20 or 30 minutes to get a limo to the curb. Their clients won't stand for it. It will hurt their business and the Airport.

Their fees will go up to \$3.90 a loop from \$1.50. They also pay to park on the 5th floor of the garage. When they use the fifth floor and don't use the curb to park, they don't pay the trip fee. The only benefits the limos will receive in Phase 1 are some curbside zones to pick up and drop off passengers.

These costs are going to be passed on to the passenger. A \$3.90 fee for a \$50.00 fare becomes a big hit to the driver. It can't be absorbed. For a \$3.90 fee in addition to the parking fee, they should be allowed to meet their clients at the gate.

Are all ground transportation companies ... buses, cabs, limousines being assessed the new fees?

He requested that limousine companies be allowed to operate as they do now for their corporate clients.

Commissioner Berman asked Mr. Azzolino if he would address his comments in writing to the Director.

Mr. Barry Toronto, United Taxicab Workers said that they support this contract. The problems they have had in the past have been addressed in the RFP. He believed



that legitimate limousine operators will benefit from this.

He applauds Airport staff for reducing the cost of the program and understands that the cost must be passed on.

There is a dispute as to how the trip fees will be calculated. He said that neither the weight of the vehicle or the number of passengers was not calculated in the trip fee.

He applauds the contractor for considering operators, consumers, and passengers. This is a wonderful idea and he hoped it will proceed.

Mr. Toronto concluded by saying that he was concerned that the data only focused on the number of trips taken through the Airport as opposed to the number of passengers. A bus benefits because it can take a lot of passengers. A limousine can take more passengers at a higher cost. Vans can also take a lot of passengers.

Cabs only benefit when a convention is in town. They do not benefit during the holidays.

Ms. Sgourakis, addressing Mr. Azzolino's concerns, said that the Commission was only approving Phase 1 of the program. A number of meetings were held with the affected industries ... door-to-door vans, limousines, taxis and scheduled buses. Many of their concerns were incorporated into the RFP. Phases 2 and 3, if implemented, require returning to the Commission for approval.

This does not preclude gate meets. Staff understands that that service is very important to limousine operators.

The concern of the scheduled bus operators regarding the process throughout the last year ... they have met with the industry numerous times, meetings were publicized, the pre-proposal conference was widely publicized and attended by at least 150 people. Attendees included not only individuals who were interested in bidding on the RFP, but operators who would be affected also attended and given the opportunity to provide input.

The process is still continuing. After the contract award, staff will meet with all of the industries to fine tune the particular elements of the program that will affect them. In order for this to work they have to be part of the process.

The scheduled bus industry is concerned about how this will affect their business. She believed this will help their business because monitors will be at the curb to answer customer questions, provide fare and schedule information, to make sure that buses pull into and out of the zone appropriately so that they don't block traffic.

She believed that this will be a beneficial program to help encourage the use of ground transportation at the Airport.

The trip fees will be presented in late October or early November. She is aware of Mr. Toronto's concerns and has passed them on to Marcus Perro in the Finance Department.





23. Authorization to Issue a Request for Qualifications/Proposals and Bids for the North Terminal Hub Principal Retail Concession Lease

No. 99-0334

Resolution approving the Lease Specifications, Minimum Qualification, Proposal and Bid Requirements, and authorizing staff to accept qualifications, proposals and bids for the North Terminal Hub Principal Retail Concession Lease.

Mr. Rhoades said that the current Hub principal concession lease is operated by Host. It comprises two locations consisting of 4,410 sq. ft. In the last 12 months ending in June, it generated just over \$6 million in gross revenue.

On August 4, 1999 staff conducted a pre-proposal conference for a new lease for the Hub concept. Nineteen companies attended. Some of the attendees expressed an interest in breaking the lease up into a principal concession lease and a disadvantaged business set aside. Staff believes that the subleasing goals are much better served by maintaining the DBE requirements simply because in a set aside, companies that do as much as \$30 million annually generally end up being bidders. We prefer to have new smaller local companies participating.

Some participants expressed interest in seeing this implemented as a bid rather than an RFQ. We have had tremendous success with the Qualification/Proposal/Bid process. A proposer does not have to come in with fancy boards, they just need the concept which can be presented in a very simple manner. There is no large cost associated with this process.

The term of the lease is five years. The minimum acceptable bid is \$1 million.

\* \* \*

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 24 through 45 were adopted unanimously.

24. Modification No. 6 to Contract No. 5520CM - Boarding Area G Construction Management - Lehrer McGovern Bovis, Inc./F.E. Jordan Associates, Inc./Cabellon Associates, Inc. - \$373,000

No. 99-0335

Resolution approving Modification No. 6 to Contract 5520CM, Boarding Area G Construction Management with Lehrer McGovern Bovis, Inc./ F.E. Jordan Associates, Inc./Cabellon Associates, Inc. in the amount of \$373,000. This modification is to extend the construction management services for Boarding Area G. Funding source is the Master Plan Administration budget. There is no impact to the Master Plan Baseline Budget.



25. Modification No. 4 to Contract No. 5709.1 - AirTrain Road 6 and Rental Car Center Stations Professional Services Agreement - Murokami Associates - \$52,800

No. 99-0336                      Resolution approving an increase to basic professional services fees in the amount of \$52,800 to provide additional Architectural and Engineering Services for Graphics and Signage design for the AirTrain System. Funding for the services will be provided from Contract 5704, AirTrain Graphic and Signage Project. There will be no change to the Master Plan Baseline Budget.

Commissioner Strunsky said that he would like to look at this before we proceed.

Mr. Kardos responded that it will be part of the briefings.

26. Award of Contract for a Document Management System - Imtrek Image Technology Services - \$500,000

No. 99-0337                      Resolution awarding Contract to Imtrek Image Technology Services for an amount not-to-exceed \$500,000 to provide and implement the Libertynet Document Management System under a pilot program.

27. Award of Contract No. 3698 - New Wash-Down Area - JMB Construction, Inc. - \$165,612.50

No. 99-0338                      Resolution awarding Contract No. 3698, New Wash-Down Area, to the lowest responsive, responsible bidder, JMB Construction in the amount of \$165,612.50.

28. Modification No. 3 to Contract No. 4062 - Ciber Network Services, Inc. - \$450,000

No. 99-0339                      Resolution approving Modification No. 3 to Contract No. 4062 with Ciber Network Services, Inc. in the amount of \$450,000 to complete the Airport's Year 2000 (Y2K) Readiness Program.

Commissioner Ito asked if there has been some completion of the testing.

Ms. Lee responded that we have completed all of the systems that were targeted for compliance by June 30. We are currently focused on developing our contingency plan.

We are now involved in an independent audit of our process through the City and



County of San Francisco's Y2K Project Management Office.

We are also working with the Master Plan Project Managers to insure that all of the systems that will come on board for the new terminal will be ready. Most of those systems will be tested after January 1.

29. Modification No. 1 to Professional Services Agreement - Environmental Consulting Services - LSA Associates, Inc. - \$110,000

No. 99-0340 Resolution approving Modification No. 1 to Professional Services Agreement with LSA Associates, Inc. for environmental consulting services to perform environmental analysis and to develop wetland mitigation plans in the amount of \$110,000.

30. Reject All Bids - Contract No. 4185 - As-Needed Telecommunications Construction/Repairs 1999-2000

No. 99-0341 Resolution rejecting all bids for Contract 4185, As Needed Telecommunications Construction/Repairs 1999-00 and authorizing the Director to rebid the contract when ready. The total construction budget including contingency allocated for this project is \$483,750.

Commissioner Strunsky asked if all of these people are capable of doing fiber optic telecommunications?

Mr. Eavis responded that whoever gets this contract will be capable of doing that type of installation.

31. Reject All Bids - Contract 4184 - As-Needed Electrical Construction/Repairs 1999-2000

No. 99-0342 Resolution rejecting all bids for Contract 4184, As-Needed Electrical Construction/ Repairs 1999-00 and authorizing the Director to rebid the contract when ready. The construction budget including contingency allocated for this project is \$483,750.

32. Sublease of Airport's Off-Airport Warehouse/Office Building - 350 Harbor Way, South San Francisco - Zoom Tech, Inc. - \$35,000

No. 99-0343 Resolution approving the City's Sublease of Airport Warehouse/Office Space at 350 Harbor Way, So.



San Francisco to Zoom Tech, Inc., as Sublessee, and approving the payment at a not-to-exceed cost of \$35,000 to restore the Truck Loading dock.

33. Rental Rate Adjustment for Land and Improvements Lease to Northwest Airlines

No. 99-0344                      Resolution setting new "land and improvements" rental rate of \$1,601,819.94 per year for Northwest Airlines' Lease No. 83-0185 for the 7.57± acres that comprise Plot 9A.

34. Rental Credit to Pacific Gateway Concessions, LLC and Host International, Inc., for Designing, Constructing and Implementing the Airport Storefront Concept \$600,000

No. 99-0345                      Resolution authorizing a rent credit in an amount not-to-exceed \$600,000 to Pacific Gateway Concessions, LLC, and Host International, Inc., for designing, constructing, and implementing the Airport Storefront Concept in the South Terminal.

Commissioner Ito asked if this had to go out to bid.

Mr. Rhoades responded that the specifications for this lease require the Airport to reimburse the lessees for the storefront framing. The companies themselves are responsible for the inserts.

The Airport expressed a desire to achieve a greater uniformity in the concession program and this is how we have gone about it.

35. Reimbursement to San Francisco Foreign Flag Carriers (SFFFC) for Providing Security Guard Services to the Airport - \$300,000

No. 99-0346                      Resolution authorizing additional reimbursement to the SFFFC in the amount of \$300,000 increasing the total reimbursement amount from \$410,400 to \$710,400 for providing security guard services to the Airport.

36. Rental Credit to Pacific Gateway Concessions, LLC for Construction of a Candy Kiosk in the South Terminal - \$60,000

No. 99-0347                      Resolution authorizing a rental credit to Pacific Gateway Concessions, LLC, for construction and the extension of utilities for a new candy kiosk in the South Terminal in an amount not-to-exceed \$60,000





37. Rental Credit to Bank of America for Relocation of Automatic Teller Machine Units North Terminal and International Terminal - \$14,733.25
- No. 99-0348                      Resolution approving a rental credit to Bank of America for expenses associated with relocating four Automatic Teller Machine (ATM) units in the North Terminal and one ATM unit in the International Terminal in an amount equal to \$14,733.25.
38. Award of Contract - Security Identification Display Area Training Video - FAT BOX - \$70,000
- No. 99-0349                      Resolution requesting that the contract for the production of the new San Francisco Airport Security Identification Display Area ("SIDA") training video be awarded to FAT BOX in the amount of \$70,000.
39. Authorization to Issue a Request for Proposals for an Interpreter Management Firm
- No. 99-0350                      Resolution authorizing staff to issue request for proposals for a firm to manage the Airport's Interpreter Staff.
40. Modification No. 3 to Contract No. 5602.1 - Employee Parking Facility No. 3 - Plot 7 - Walker Parking Consultants/Engineers Inc. and Kwan Henmi Architecture/ Planning, Inc. - \$79,342
- No. 99-0351                      Resolution approving Modification No. 3 to Professional Services Contract 5602.1, Employee Parking Facility No. 3 - Plot 7, with Walker Parking Consultants/Engineers Inc., in Association with Kwan Henmi Architecture/ Planning, Inc. to provide various additional services in the amount of \$79,342.
41. Bid Call - Contract No. 4214 - International Terminal Site Furnishings and Exterior Amenities
- No. 99-0352                      Resolution approving the scope, budget and schedule for Contract 4214, International Terminal Site Furnishings and Exterior Amenities, and authorizing the Director to call for bids when ready.



42. Bid Call - Contract No. 4216 - As-Needed General Construction

No. 99-0353

Resolution approving the scope, budget and schedule for Contract 4216, As-Needed General Construction, and authorizing the Director to call for bids when ready

Commissioner Ito asked for a report on the M/WBE goals and accomplishments as that fund is utilized.

43. Bid Call - Foreign Currency Exchange Lease

No. 99-0354

Resolution approving the Lease Specifications and authorizes staff to accept bids for the Foreign Currency Exchange Lease.

44. Authorization to Conduct a Pre-bid Conference - North Terminal Concourse Newsstand Lease

No. 99-0355

45. Authorization to Issue a Request for Proposals to Operate an Inter-Airport Facility Shuttle

No. 99-0356

\* \* \*

I. PUBLIC HEARING

The public hearing began at 11:38 AM. There being no further public comment, the public hearing was adjourned at 11:45 AM.

Item No. 46 was adopted by a 4-1 vote, with Commission Mazzola casting the dissenting vote.

46. Proposed Additions and Changes to the Airport's Rules and Regulations

No. 99-0357

Resolution approving Proposed Additions and Changes to the Airport's Rules and Regulations including Appendix C (Fine Schedule) pertaining to wildlife management and prohibitions on both littering and other unsanitary acts on Airport Property.

Mr. Martin explained that the primary change is to impose higher fines for littering in the view lot. This lot is also used as a staging area for ground transportation operators. We will impose the same fine as the State of California levies for littering



on highways.

Commissioner Strunsky asked if video monitoring can be installed.

Mr. Martin responded that we expect to have them within the next two years. We threatened to cancel the food truck permits and that got the immediate attention of the employees.

Mr. Barry Toronto said that he has no problem with issue surrounding the use of restroom facilities, although the \$500 fine is a little high. The facilities are fine, the maintenance needs to be improved. Perhaps a schedule needs to be placed in the restrooms so that it could be more closely monitored.

The fines are far too high for littering there. Perhaps littering should be separated from the issue of food being placed out for birds. Additional garbage cans would be helpful.

The first rule under Appendix C could be amended to read "and any other area on Airport property." He was not sure if "restroom" was the proper word for this.

Commissioner Strunsky asked when the next Association meeting will be held.

Mr. Toronto responded that it is scheduled for October 7.

Commissioner Strunsky suggested that he tell them about the fines.

Mr. Toronto thought that proper signage would be appropriate. He wished that he had had more than five days to review this.

Mr. Toronto said that he did not like the idea of video cameras. There are dispatchers out there. They could notify supervisors or the Police regarding violators.

\* \* \*

#### J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

\* \* \*

#### K. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*



L. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to recess its meeting to go into closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled Cheresnik v City and County of San Francisco, and, City and County of San Francisco vs ARCO; and, Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

The closed session was convened at 11:47 AM.


Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The meeting was reconvened at 12:05 PM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

M. ADJOURNMENT:

There being no further calendared business before the Commission, the meeting adjourned at 12:07 AM.

  
Jean Caramatti  
Commission Secretary





# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

October 5, 1999  
9:00 A.M.



ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

LARRY MAZZOLA  
Vice President

MICHAEL S. STRUNSKY

LINDA S. CRAYTON  
CARYL ITO

JOHN L. MARTIN  
Airport Director

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Minutes of the Airport Commission Meeting of  
October 5, 1999

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6.	Modification No. 1 to Professional Services Contract 5602.5 for Materials Testing & Special Inspection Services - Geo/Resource Consultants	99-0368	17-18
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9.	Modification No. 1 to the 1998 Palcare Agreement Between San Mateo County and SFO	99-0371	18
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11.	Modification No. 2 to Professional Services Contract With Thomas Parks as Airport Liaison to the Peninsula Cities and Communities - \$50,000	99-0373	18
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## AIRPORT COMMISSION MEETING MINUTES

October 5, 1999

### A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

### B. ROLL CALL:

Present:	Hon. Larry Mazzola, Vice President
	Hon. Michael S. Strunsky
	Hon. Linda S. Crayton
	Hon. Caryl Ito

Absent:	Hon. Henry E. Berman, President
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\* \* \*

### C. ADOPTION OF MINUTES:

The minutes of the regular meeting of September 21, 1999 were adopted unanimously.

No. 99-0363

\* \* \*

### D. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(a) to confer with legal counsel regarding pending litigation entitled City and County of San Francisco v Scott Company et al; and Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

The meeting was recessed at 9:02 AM and the closed session began.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The meeting was reconvened at 10:05 AM.





The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

#### E. DIRECTOR'S REPORTS:

##### 1. Aircraft Delay Reduction Technologies - Oral Report

Mr. Martin, Airport Director explained that airport staff, working with the FAA, is pursuing all forms of technology that will help us deal with the delay problems we are facing today. We want to achieve any reductions possible today. Technology is not going to solve the problem. The runway reconfiguration is the only alternative that will fully reduce the delay problem.

Mr. Tryg McCoy, Assistant Deputy Director for Operations will lead presentation of several speakers regarding available technology.

Mr. McCoy said that these presentations will explain the opportunities and limitations of currently available and future technologies that may help reduce delays at SFO.

Mr. Andy Richards, Manager of the FAA BAY TRACON in Oakland, will discuss the Precision Runway Monitor (PRM) and the Simultaneous Offset Instrument Approach (SOYA). Mr. Ken Peppard, Assistant to the Director of the Office of System Capacity of the FAA in Washington will follow. He will discuss future plans the FAA has for technology. The final speaker will be Mr. Mike Swanigan, Alaska Airlines Vice President for Operations, who will speak about a technology that was recently featured in a Wall Street Journal article called Required Navigational Performance or RNP.

Mr. Andy Richards explained that BAY TRACON is responsible for the arrival and departure of aircraft out of San Francisco, Oakland and San Jose. The airspace is Gilroy to Marin County to the ocean and east to Livermore.

Mr. Richards referred the Commission to page 2 (see attached) of his handout.

SFO's side-by-side operation means that during VFR conditions the Airport's capacity is 60 airplanes an hour in the arrival sequence. The planes come into the Airport side by side, and the FAA requires that the pilots have each other in sight. On a clear day, 60 planes an hour can land.

Page 3 shows that with a ceiling of 3,500 feet, only 30 planes can land. The pilots cannot see each other in time to separate.

The heaviest demand during the day at SFO is between 10:00 AM and 11:00 AM. Approximately 55 to 60 airplanes arrive during that time. If that number is reduced to 30 during that time we are already backed up one hour. That continues throughout the day and throughout the system, even if the weather



clears. If a plane flying to Los Angeles is delayed 1-½ hours, the plane returning from Los Angeles is also delayed 1-1/2 hours.

With SOYA/PRM we are looking for incremental gains in the arrival capacity during reduced ceiling visibility conditions. This is a beam that parallels the approach course from 28L giving positive navigation to planes coming into SFO. This positive navigation allows the aircraft to fly down to a weather criteria that is less than exists now at 3,500 feet.

Through a simulation we can project an increase in capacity from 30 airplanes an hour to 38-40 airplanes an hour.

Commissioner Strunsky asked if this was based on a 3,000 or a 1,600 foot ceiling.

Mr. Richards responded that we would ideally like to get to a 1,600 foot ceiling rather than 3,500 foot ceiling. The degree of acceptance would increase when the weather is between 1,600 and 3,500 feet.

There has been a lot of discussion with the pilots as to whether that is doable. The FAA is still working that issue with them.

Even though the incremental gain appears only to be 30-38, if you look at the impact on the system and the improvement of the Airport, it is quite vast when the cost to the airlines and the traveling public is annualized.

BAY TRACON and the FAA are fully supportive of the runway reconfiguration. It would provide an operation called Simultaneous Parallel Instrument Approach and would increase capacity to 60 airplanes an hour during all periods of the day under all weather conditions.

Using existing traffic figures, there would be no weather conditions that would realize delays because there is no hour during the day when the demand exceeds 60 planes per hour.

Commissioner Strunsky noted that the next drawing expects a 4,300 foot separation.

Mr. Richards responded that with a PRM it reduces that to 3,000 foot. The PRM is the one-second update radar.

Commissioner Strunsky asked if we could conceivably build our runways 3,000 feet apart with the PRM and still maintain 60 arrivals an hour.

Mr. Richards said that was correct.

Commissioner Ito said that she recently read about some problems with new equipment at the FAA's regional center in Fremont.

Mr. Richards responded that there is no impact for SFO. The Regional Air Traffic



Control Center updated their equipment ... displays and computer technologies. The transition has been taking place over the last three weeks. A computer glitch occurred on the communication equipment that was very short lived.

Commissioner Strunsky asked if there is any possibility of new technology such as GPS that would allow 60 landings an hour without moving the runways.

Mr. Richards responded not at this time. Some exploratory work has been done on separation standards. From an air traffic control standpoint, there is a lot of technology that will improve navigation, but the standards of placing airplanes and sequencing the airport has not changed, and may never change.

Commissioner Strunsky said that this Commission is looking hard at new runways. Are we passing up something?

Mr. Richards said that if we were talking about runways 2,000 feet apart, he believed there is a chance that technology will improve the situation and perhaps we should wait. If you had runways 1,500 feet apart, it still might be worth the wait. However, with runways 750 feet apart and the wing span of an airplane at about 198 feet, not much room is left. He did not believe that waiting for technology is good strategy for SFO.

Mr. McCoy said that in March of this year the Commission approved the purchase of the PRM. Airport staff is working on negotiations with the FAA and Ratheon, the only manufacturer of the PRM. Two agreements have been signed with the FAA and we are on track to have the PRM up and certified by April 2001. One of the key issues preventing us from installing it and having it up and running sooner is the Environmental Analysis (EA) which is anticipated for completion by June of next year. We cannot begin construction until the EA is complete.

Commissioner Strunsky asked if there are ways of speeding up the environmental analysis.

Mr. McCoy responded that it is a comprehensive analysis that has to be complete. We negotiated with the FAA regarding what was actually needed in the EA, and it was determined that the most prudent approach was to complete the EA before any installation begins.

Commissioner Strunsky said that anything that could speed up the process should be done.

Mr. Martin added that this is one of our highest priorities. He will provide the Commission with a written report on our progress.

Mr. Ken Peppard explained that the Office of System Capacity which oversees the national airspace system for efficiency and innovative ideas to improve the operations in the national and international airspace. After the meeting, the Commission will be provided with National Air Space System Modernization packets which provide a high level view and overview of future plans.



The National Air Space System (NAS) has seven modernization goals, with safety as the predominant one, better weather information in the cockpit and controller work station, which would also apply to increased surveillance of airplanes and the ability to communicate directly with them, accessibility (access to more airports and making more airports useable in deteriorating weather conditions), flexibility (allowing users to select and fly desired and more optimum routes), predictability (will the flight take off and land when it is supposed to and can a passenger reliability predict that the air transportation will serve them well), capacity (increasing airport arrival rates ... this can also be translated into reducing delays), fuel efficient savings (such as taxi times to and from the runways), security (not just at the airport, but of all the information and communication systems that serve the NAS in the movement of airplanes).

Phase 1 of the NAS Modernization is a five year (1998-2002) sustaining of essential air traffic services and delivering early user benefits. Free Flight Phase 1 is essentially a group of demonstration technologies that are put in at select locations to determine if they are technically feasible and will result in the anticipated benefits before being placed in an operational capability system-wide.

Phase 2, the next five years, is the next generation of communication, navigation and surveillance systems. Communications systems are becoming increasingly difficult to deal with. The frequencies available to the aviation community are reduced and becoming very congested. There are technologies available which take advantage of communication techniques that use the existing frequency spectrum more efficiently. The main issue is not just what can be done on the FAA side, but the users have to be able to communicate back. This is not just an infrastructure investment, but an equipment investment. This also has to be looked at on an international basis.

Navigation and surveillance issues, the GPS (Global Positioning System) is being widely used at this time. The FAA is successfully demonstrating the ability to use it in a civil aviation environment over an in-route capabilities over wide areas. The FAA is also starting to use it for approaches in very high level weather minimums where it does not require the airplane to get close to the ground. There are some variations in that military-produced signal. The FAA is trying to soften those. We are also working to do that in the approach mode. This would provide a more precise guidance for the airplane.

The PRM is the surveillance piece. The existing capabilities on surveillance is typically in the 5-6 second range, meaning that every 5-6 seconds we know the position of the airplane. We are looking for one second updates so that we can detect a deviation as airplanes operate closer to each other and take action to make sure that the safety levels are maintained.

Automation upgrades ... we are doing those on the ground and with compatible airborne equipment.

Phase 3 looks to the year 2015 and brings all of those automation advancements together ... the communications and navigation ... and provides the synergy that





eventually transforms NAS operations into a more efficient and user friendly system.

A number of things will come in over the next five years that are initial capabilities. They are display replacements, updated weather information, and automation system enhancements. They do not provide any new capabilities, they simply make the existing capabilities more reliable. Passive Final Approach Spacing is being used at Dallas in a test mode and provides the controller advice as to sequencing airplanes to optimize the efficiency of the arrival route. It typically does not change the arrival stream to the end of the runway.

Automatic Dependent Surveillance Air to Air Information ... airplanes passing information to each other.

En-route Navigation through Global Positioning.

For SFO's purposes, the first slide provides no incremental benefits. It provides some reliability and adds some preciseness and predictability to the operations but does not provide delay reduction. It simply goes from an analog phone to a digital phone ... more reliability and better coverage, but still the same phone call.

The second phase sees some benefits in the ocean. The 100 mile increments currently used between airplanes will be reduced to 50 miles.

Category 3 Landings, meaning nearly zero/zero landings using GPS replaces the existing Instrument Landing System signal. It doesn't put more planes on the ground in any given location but it does provide the capability to move around to more airports without having to put in a ground infrastructure.

In the 2006 timeframe we talk about ADSB, the Automatic Defendant Surveillance Broadcast, where the airplane self-announces its location to all the other airplanes so pilots and controllers look at the same picture. This is in initial use in air traffic control. With regard to high update surveillance, ADSB might provide that. The initial introduction would be in the in-read airspace, wide area, uncongested and not in San Francisco's challenging environment. SFO has the closest spaced runways around. The airplanes would operate in the closest proximity and the FAA would do safety-oriented incremental introduction of these capabilities.

In 2015 the Active Fast Final Approach Spacing tool with Wake Vortex is the single most challenging issue for closely spaced runways. The airplane produces a wake and a trailing or adjacent airplane doesn't want to encounter that wake. We are putting a sensor system in at SFO to sense the movement of ground wakes, how they move around the threshold and across the runways. We are complimenting it with information out on the final approach course to determine the movement of wakes. That will provide a higher confidence level as to what minimum safety level can be used between airplanes. Unless we can find technology to mitigate that wake, the solution will be either wider separation between the airplanes or wider separation between runways. We can either put the airplanes further behind each other or off to the side of each other. The



dilemma is that we can use the higher update surveillance for greater precision, or we can use advanced information to be more precise about the behavior of the wake, but in the end we must still provide a safety buffer around the airplane. SFO's proposal to move the runway out would accomplish that goal.

Captain Mike Swanigan, Vice President of Flight Operations for Alaska Airlines referred to a recent article in the Wall Street Journal regarding a technology called the Required Navigation Performance (RNP) that they have been working on. One of the issues was the inference that this technology would eliminate the requirement for some of the other technologies being worked on, as well as the reconfigured runway complex. That is not true.

Alaska Airlines firmly believes that the new technologies discussed this morning, as well as a reconfigured runway complex is very important to the future of SFO and the ability to reduce arrival/departure delays.

Alaska's proposal provides for an incremental capacity increase during periods of inclement weather and reduces delays during construction of the new runway complex. It would serve as a good interim measure but it is not the final solution to the problems at SFO.

Required Navigation Performance is defined by the International Civil Aviation Organization (ICAO) as a statement of navigation performance accuracy for operation in defined airspace. ICAO member states are presently implementing RNP airspace in the North Pacific routes, RNP 10. RNP 5 will shortly come into operation in Europe.

The bottom line is that modern technology has allowed us to integrate several different navigation sources to come up with a very precise navigation path of the airplane. A more precise path necessitates a smaller buffer zone.

Juneau's problem was that the minimum for any approach into Juneau Airport was a 1,000 foot ceiling and three miles of visibility. They didn't operate into Juneau for days at a time when a 500 or 600 foot ceiling moved in.

The only approach available to them was an LDA approach from the west ... a very exciting approach for passengers. The challenge was how to fly the approach without hitting the large mountain peaks on either side.

Previous generation navigation technologies, ILS and LDA, did not have the accuracy required to insure keeping aircraft out of the terrain coming into Juneau. With the advent of required navigation performance we had the capability to fly the aircraft very precisely in very tight constraints. They now fly an RNP approach down the Gasteneau Channel with a 338 foot ceiling and land on runway 26.

Commissioner Strunsky asked if the 338 ceiling was before you make the turn.

Mr. Swanigan responded that they make the turn and then look for the runway. RNP achieves this accuracy from several sources. Most next generation airplanes



come with the technology installed for RNP, or, if it's not installed it comes with the infrastructure on board where minor modifications can be made to the aircraft. The next generation 737-700, 737-800, 777, as well as the airbus products have the capability to fly RNP.

Alaska Airlines is doing research and development on how RNP could work at SFO. The procedure would begin on the 095 degree radial flying an offset approach. As the aircraft got closer to the Airport it would curve in and make two turns to line up with Runway 28R, staying out of the stream for ILS to Runway 28L. These turns are one feature of RNP. It allows us to build a curved approach. Previous generation technology required a straight line approach with the aircraft intercepting the localizer, ILS beam or VOR beam and tracking in on a straight line. With RNP we can string any approach together with curved arrivals.

With a verticle path, the ILS at 28R aircraft would come in at 1,500 feet, pick up a 3 degree glide slope and land on the left runway. With RNP we would bring the aircraft in at 1,500 feet to about 6.3 miles. It would then descend to 1,000 feet and the aircraft would drive in at 1,000 feet until it got closer to the runway.

The RNP takes up a much smaller piece of air space than the ILS.

Commissioner Strunsky asked what the aircraft separation would be at a 1,000 foot missed approach.

Mr. Swanigan responded that it would be 4,300 feet.

Mr. Swanigan said that Alaska believes that RNP is a win, win solution. Safety is enhanced. It exceeds the current separation standards. It provides for precise lateral and verticle path available for autopilot and flight director guidance. One of the most important aspects is that it can be hooked up to the autopilot, reducing flight deck work load and the aircraft can virtually fly itself just prior to touchdown. The pilot can disconnect the autopilot at 50 feet.

The arrival rate would be improved down to the 1,500 foot ceiling. In order to pull this off a lot of success issues and factors must be dealt with. Some of the aircraft separation issues will have to be worked on. Once visual contact with the runway is achieved, we still have wake turbulence issues that need to be addressed.

RNP is compatible with existing procedures and equipment, however, additional training may be required. Environmental issues will have to be overcome as well.

The other issue would be the dual communication backup.

Mr. Swanigan said that if this proposal moves ahead stakeholder participation would be invited ... FAA, Airline Pilots Association, environmental groups, Airport staff ... to determine issues and perspectives to see if it could be designed to accommodate everyone's position on this concept. Once that information has been collected it will be refined and designed to accommodate as many stakeholders as possible. It would then be tested in flight simulators followed by a



demonstration flight. Stakeholders would be brought back to the table to obtain evaluations and approval. At this point we could get sent back to the drawing board several times. Once we are past this point a 90 day in-service evaluation would be done. This would be followed by a final review and implementation plan.

This would not replace a reconfigured runway complex. If anything, RNP would be a valuable tool to increase capacity to the new complex when it is completed and improves operations while the runway project progresses. It does not require additional investment by the Airport.

RNP is the navigation system of the future. It shows the greatest promise to solve the majority of issues raised by the stakeholders.

Alaska Airlines is on board with SFO's efforts to reduce aircraft delays. Everything SFO is looking at is crucial to a meaningful reduction in delays. RNP would interface well with everything that has been discussed this morning. They look forward to working with SFO.

\* \* \*

#### F. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito recommended, in response to the Director's letter to the Commission regarding monitoring of subcontract start-up dates and payment process, that additional information be provided regarding the viability of including an internal process for the Airport to monitor consultants and suppliers. This information is not presently included in the HRC requirement for the workforce tracking forms. We are still spending a considerable amount of money for consultants and suppliers. She would like to stay ahead of some of the issues that we are trying to manage with construction contractors.

How viable is this? Will this require amendments to existing ordinances, or can it be done voluntarily within our own department?

Mr. Martin said that on the workforce tracking side he has just given direction to our Prevailing Wage Office to gather information from our tenants and contractors.

He asked Commissioner Ito if she also wants to track contractor use of M/WBE subcontractors?

Commissioner Ito responded that she does.

\* \* \*

#### G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 2 and 3 were adopted unanimously.

2. Modification No. 15 to Contract No. 5500E - International Terminal General Construction - Tutor-Saliba/Perini/Buckley, A Joint Venture - \$5,411,438





Resolution approving Modification No. 15 to Contract 5500E, International Terminal General Construction, with Tutor-Saliba/Perini/Buckley, A Joint Venture in the amount of \$5,411,438 for work related to design changes to facilitate construction, unanticipated conditions and change impact mitigation. Funding sources are current Non-Master Plan Budget and Program Reserve.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that this modification is a compilation of negotiated changes comprising design drawing coordination issues, unanticipated site conditions and change impact mitigation prior to the global settlement with the contractor.

The largest component of this \$5.4 million modification is the cost of concrete deck leveling necessitated by the irregular deflection pattern at the departure and arrival levels in the International Terminal.

As suggested by Commissioner Strunsky, we are currently preparing to engage an independent forensic consultant to determine the cause of, and responsibility for this phenomenon and recommend that the resolution in the information before the Commission be modified to make the final reimbursement of the contractor's cost dependent on the outcome of the forensic analysis.

As detailed in the package, the funding sources are the contract's contingency budget and program reserve.

All of the changes have been reviewed and approved by the Master Plan Technical Advisory Board. The costs were not included in our previous cost forecasts. They will be presented to the Commission in our next quarterly report for 1999.

Commissioner Strunsky said that he had trouble with items 264, 269, and 275 because he can't envision a scenario where the Airport would be liable for these costs. It would either be the architect, contractor or materials supplier to these entities. As he understands it, this change order is in two parts, one part to be billable immediately, exclusive of the \$4,752,000. If the forensic investigation determines that we are responsible for it, the \$4-million would be billable.

Mr. Kardos responded that the \$4 million would be part of the retention. We are reimbursing the contractor as he proceeds for work performed. How we recover the cost is the question. We are having 5% retention, and in the case of the International Terminal it is about \$30 million. If the contractor is responsible, we retain out of the retention. If the contractor is not responsible, we have to recover under errors and omissions from the architect and engineer. This modification provides for the execution and completion of the work. The recovery is at the end of the forensic process.

Commissioner Strunsky wants to make sure that Tutor-Saliba realizes that one of their subcontractors is at fault here. They may want to disperse funds accordingly to make



sure they have retention on the potential subcontractors whose issue this might be.

Mr. Kevin Williams, Human Rights Commission said that Administrative Code 12D requires HRC review of modifications. Several of these modifications, if not all of them, have not been subject to HRC review to determine if there are contract opportunities for women and minorities. The most current report on the total number of modifications demonstrates a need to visit this issue. He asked for the Commission's assistance in insuring that HRC reviews these modifications before they reach the Commission.

Mr. Martin responded that he will get a written report to the Commission this week.

Mr. Williams said that this is the 15th modification for this contract. The Administrative Code requires HRC review of contracts over \$50,000. A number of these modifications meet this threshold. HRC does not want to impede the Airport's progress, however, it is important to review them to identify potential opportunities for women and minority firms.

Commissioner Strunsky said that he is all for it, but where has Mr. Williams been? The Commission has been awarding contract modifications for more than three years, most of which are in excess of \$50,000.

Mr. Williams said that he has not been here the full time. He has been directed to bring this to the Commission's attention so that these modifications are brought to the HRC for review, pursuant to the Administrative Code.

Mr. Williams added that the reason the HRC has not been providing a workforce tracking report is because the workforce tracking forms that are required as a condition of payment are not submitted in enough quantity to make those reports available. There is a maximum of 17% submission on the workforce tracking report. Without the reports they cannot issue the workforce tracking information.

Mr. Kardos apologized for failing to mention it in this modification, but the base contract M/WBE participation goals remained unchanged with this modification. As he stated with each prior modification, the M/WBE participation remained the same.

3. Modification No. 4 to Contract No. 5500J - North Connector Package Construction - Dillingham Construction - \$1,299,544

No. 99-0365

Resolution approving Modification No. 4 to Contract No. 5500J, North Connector Package Construction, with Dillingham Construction, in the amount of \$1,299,544 for scope transfers and work related to design changes that facilitate construction and unforeseen obstructions. Funding sources are transfers from Contract and BART contingencies, and program reserves.

Mr. Kardos explained that this modification is a compilation of negotiated changes comprising design drawing coordination issues and unanticipated site conditions.



As detailed in the information before the Commission, the funding sources are the Airport's contribution to the BART/SFO extension, contract contingency, and program reserve.

All of the changes have been reviewed and approved by the Master Plan Technical Advisory Board. The costs have been included in the cost forecasts presented to the Commission previously in our quarterly reports. This Commission action formalizes those forecasted changes.

\* \* \*

#### H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 4 and 5 were adopted unanimously.

4. Award of Contract No. 5530E - Taxiways A and B Realignment - East Phase Pavex Construction Company/JMB, A Joint Venture - \$7,461,555

No. 99-0366

Resolution awarding Contract 5530E, Taxiways A and B Realignment - East Phase, to the lowest responsive, responsible bidder, Pavex Construction Company/JMB, A Joint Venture, in the amount of \$7,461,555.

Mr. Martin said that the City Attorney's Office has completed additional legal review and recommended award to Pavex.

Mr. John Heisse, attorney for Granite Rock/Pavex offered to speak last in order to respond to any issues or questions.

Mr. Richard Bunn, attorney, reiterated his concern that the joint venture bid is invalid because the bid bond is invalid due to the transposition of names. He respectfully disagrees with the City Attorney's opinion.

Mr. Christopher Albert, representing John Jenkins reiterated his claim that Pavex is not the lowest responsible bidder. They have yet to hear what the investigation revealed and they do not know the findings. Jenkins Construction was never contacted, nor did they contact anyone that they know of regarding this issue.

Mr. Albert noted that Ms. Crumpler stated that she tried to call their office several times last week. They were notified by letter on September 28 that their bid was being rejected. What were the findings that resulted in the rejection?

Commissioner Crayton asked Mr. Albert if he is the estimator for Mr. Jenkins.

Mr. Albert responded that he is.

Commissioner Crayton said that Ms. Crumpler tried on a number of occasions to contact his firm. It appears that the information provided by him at the last



Commission meeting regarding irregularities in the bid have not changed. He has not provided any additional information that would clarify or change this issue.

The onus was on the Jenkins Company to provide additional information that would cause the Commission to take a second look at it.

Mr. Albert said that the bonding company tried to contact Mr. Berringer and Commissioner Crayton's Office but never received a response. Issues were raised in their letter that were never addressed.

Commissioner Crayton asked if any of that information included statements from the State that the bonding company was licensed to do business in California. That is the kind of information the Airport needed in order to change this. We are bound by the law. Unless Mr. Albert has factual written documentation that will refute each of these issues, the Commission's hands are tied.

Mr. Albert said that they have the necessary documentation.

Commissioner Crayton asked if that information was submitted.

Mr. Albert responded that information regarding this bonding company as an Indian entity was provided to Mr. Berringer.

Mr. Albert said that the Commission asked if the bonding company would stand behind the bid bond for the Jenkins Construction Company, and they will.

Commissioner Crayton said that the Insurance Commissioner stated that the bonding company is not licensed to do business in the State of California, nor have they ever been. That has not changed.

Commissioner Mazzola said that we went through this two weeks ago. Staff has indicated that it conducted further review. He said that Mr. Albert's dissatisfaction will be duly noted in the record.

Mr. Albert said that they submitted a letter stating that the second low bidder failed to meet the M/WBE goals. Mr. Williams of the HRC did not investigate the second bidder. Jenkins saves the Airport \$2-million. If they had been given a chance to explain they could have made it clear that Jenkins met the goals.

Document Nos. 00481 and 00482 state that every partnership must have a sworn affidavit that this was a bid of non-collusion. The second lowest bidder did not submit such a document. Is the Commission going to waive that document and require Jenkins to submit all of its documents? This is discrimination.

Commissioner Crayton told Mr. Albert that he is digging a hole. The HRC has determined that they did not comply with the subcontracting requirements. We have revisited this several times. There have been no discriminatory tactics here, and claims like that are not furthering his cause.





She appreciates the information he has provided but all of his claims have been investigated.

Mr. Albert said that Cal Marine meets all of the requirements regarding the law and the Airport's specifications.

Mr. Dan Robinson, representing Cal Marine ESOP explained that he has power of attorney to speak on behalf of Cal Marine, the Apache American Indian tribe of Onodaco, Oklahoma and Ivan C. Bryant.

Cal Marine is a foreign insurer and is not regulated by the laws of the State of California. They are under the Commerce Law. It is exclusively under Congress.

Page EOR106, application was made in California for a certificate of exemption. A foreign insurer cannot have a certificate of authority or a certificate of qualification, it can only have a certificate of exemption or certification of trustee. Mr. Bryant has both. The Commissioner has kept Mr. Bryant's fee and the \$150 million bond.

The Commissioner of Insurance has ignored all of these endeavors. Cal Marine has implied consent to sue and they are moving forward with it. He asked the Commission to look at the proof. Page EOR106 and EOR107 of the information he provided at the last meeting shows the receipts and amount of the fee paid for the certificate of exemption. The bond securities to be deposited was posted in December 1994 with the Commissioner's Office in Sacramento.

Commissioner Strunsky told Mr. Robinson that it appeared he had a good case against the State of California. Unfortunately, the Commission cannot override the advice of counsel. We have a document from the Insurance Commissioners Office, State of California stating that the bonding company is not licensed to do business in California. Mr. Robinson needs to make his arguments with them.

Commissioner Crayton agreed with Commissioner Strunsky.

Mr. Robinson said that this company is being damaged.

Commissioner Strunsky replied that they have not been damaged by this Commission.

Commissioner Mazzola said that the Airport Commission must do business as governed by the City and County of San Francisco and the State of California. Mr. Robinson's issue is with the State of California.

Mr. Robinson said that the only way they can find relief is through the courts, and that will involve everyone. The Airport Commission is aiding and abetting.

Mr. Heisse said that he has nothing to add to his comments.

5. Modification No. 7 to Contract No. 5520E - Boarding Area G General Building



Construction - Tutor-Saliba Corp/Perini/Buckley Company, Inc. - \$2,150,000

No. 99-0367

Resolution approving Modification No. 7 to Contract 5520E, Boarding Area G General Building Construction with Tutor-Saliba Corp., Perini/Buckley Company, Inc. in the amount of \$2,150,000 for tenant utilities extensions. Funding source is the Airport's Capital Improvement Program budget with no impact on the Master Plan Baseline Budget.

Mr. Kardos explained that design of the base building was completed prior to the establishment of the business utilization plan for the International Terminal Complex. Consequently, utilities were delivered to concession blocks with the intent that they would be distributed within the blocks once the leases were defined.

This modification brings utilities (plumbing, HVAC, power, communications) to the individual concession leaseholds and to construct the leasehold demising walls.

The work will be performed on a time and material basis by Tutor-Saliba, the base building's prime contractor and its subcontractors in order to assure the timely completion of the follow-on tenant construction activities.

The amount of this modification is not-to-exceed \$2,150,000 funded by the Airport's Capital Improvement Program budget.

Since the work will be performed by the originally listed subcontractors, none of which are HRC certified, there will be no specific goals set for this modification. We will, however, maintain the 19.2% MBE/WBE aggregate participation goals established for the base contract.

Commissioner Ito said that since these subcontracting firms graduated from their MBE status in June, would it cause too much delay to sub out this work again?

Mr. Kardos responded that time is of the essence for this contract.

\* \* \*

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 6 through 14 were adopted unanimously.

6. Modification No. 1 to Professional Services Contract No. 5602.5 for Materials Testing and Special Inspection Services - Geo/Resource Consultants - \$73,940

No. 99-0368

Resolution No. 1 to Professional Services Contract 5602.5 with Geo/Resource Consultants to provide various additional materials testing and special inspection services in the amount of



\$73,940. Funding source is the original project budget.

7. Award of Contract No. 4093 - As-Needed Pavement Repair and Construction Interstate/MH, A Joint Venture - \$1,262,400

No. 99-0369 Resolution awarding Contract 4093, As-Needed Pavement Repair and Construction, to the lowest responsive, responsible bidder, Interstate/MH, A Joint Venture, in the amount of \$1,262,400.

8. Award of Contract No. 4228 - As-Needed Utility Pipeline Repairs - JMB Construction, Inc. - \$432,000

No. 99-0370 Resolution awarding Contract No. 4228, As-Needed Utility Pipeline Repairs 1999/00, to the lowest responsive, responsible bidder, JMB Construction, Inc., in the amount of \$432,000.

9. Modification No. 1 to the 1998 Palcare Agreement between San Mateo County and San Francisco International Airport - \$920,000

No. 99-0371 Resolution authorizing the two year extension of the agreement between San Mateo County and San Francisco International Airport guaranteeing revenue for Palcare facilities for an additional cost of up to \$920,000.

10. Approval of Planned Renovation of the Palcare Facility Funded by the Airport

No. 99-0372 Resolution authorizing the Director to approve the plans, specifications, and cost data (\$676,358 funded by the Airport) relating to the second floor renovation of the Palcare facility in accordance with the existing agreement.

11. Modification No. 2 to the Professional Services Contract with Thomas Parks as Airport Liaison to the Peninsula Cities and Communities - \$50,000

No. 99-0373 Resolution authorizing a Modification No. 2 to the Professional Services Contract for Thomas Parks to continue his services as an Airport Liaison to the Peninsula Cities and Communities concerning aircraft noise issues (\$50,000).



12. Authorization to Conduct a Pre-Bid Conference - Millbrae View Lot Mobile Catering Truck Leases A, B, C and D

No. 99-0374

13. Bid Call - Contract No. 4231 -Ponding Repair

No. 99-0375

Resolution approving scope, budget, and schedule for Contract 4231, Ponding Repair, and authorizing the Director to call for bids when ready.

14. Reimburse Trans World Airlines, Inc. for the Cost of Employee Busing from the West Field Garage to the Terminals - \$270,000

No. 99-0376

Resolution to reimburse Trans World Airlines, Inc. in the amount of \$270,000 for providing dedicated employee busing from the West Field Parking Garage to the terminals

\* \* \*

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

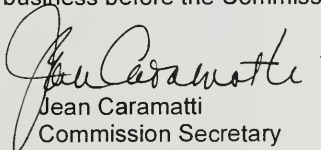
K. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 11:29 AM.

  
Jean Caramatti  
Commission Secretary





# FEDERAL AVIATION ADMINISTRATION

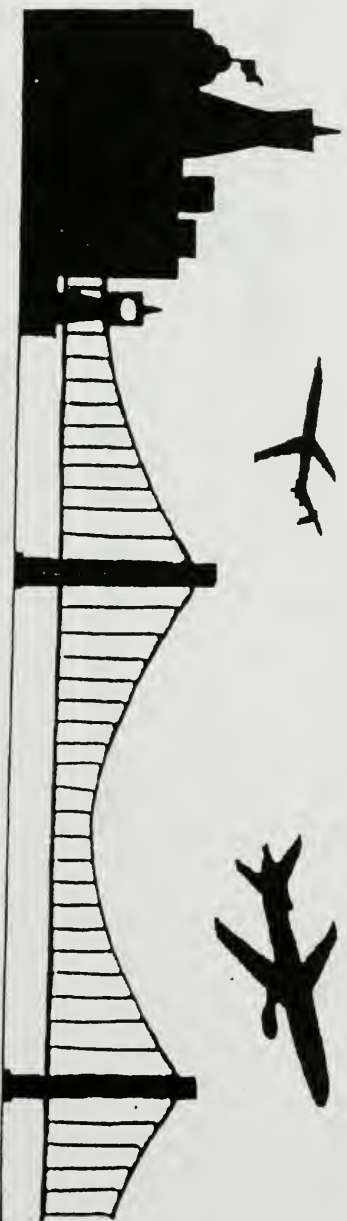
## WESTERN PACIFIC REGION

Andrew M. Richards

Air Traffic Manager

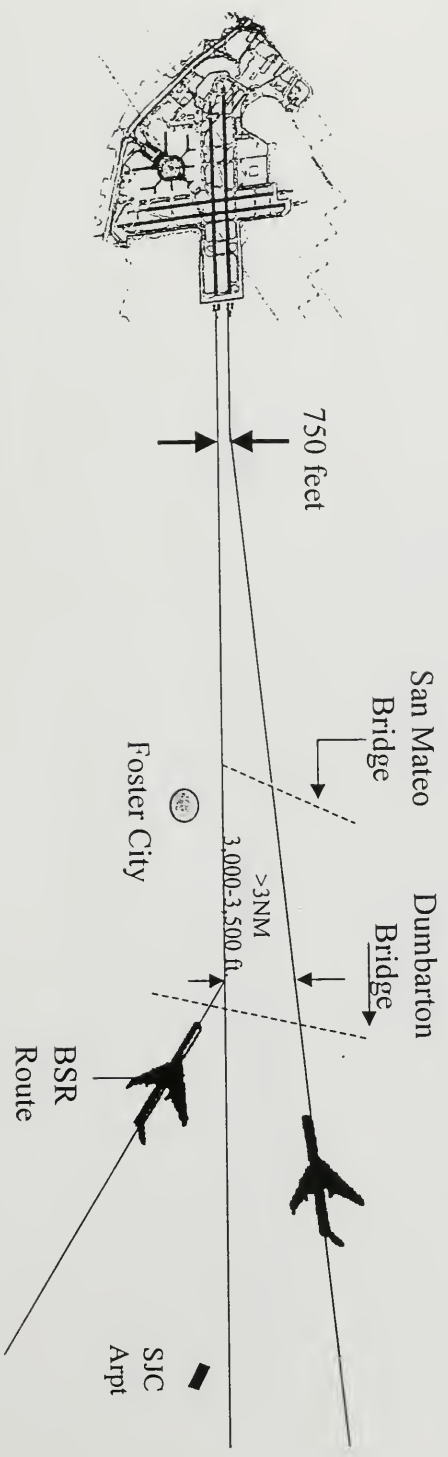
(510) 273-6005  
Fax: (510) 273-7150

Bay Terminal Radar Approach Control  
1029 Grumman Street  
Oakland, CA 94621





# Today's Side-By-Side Operation



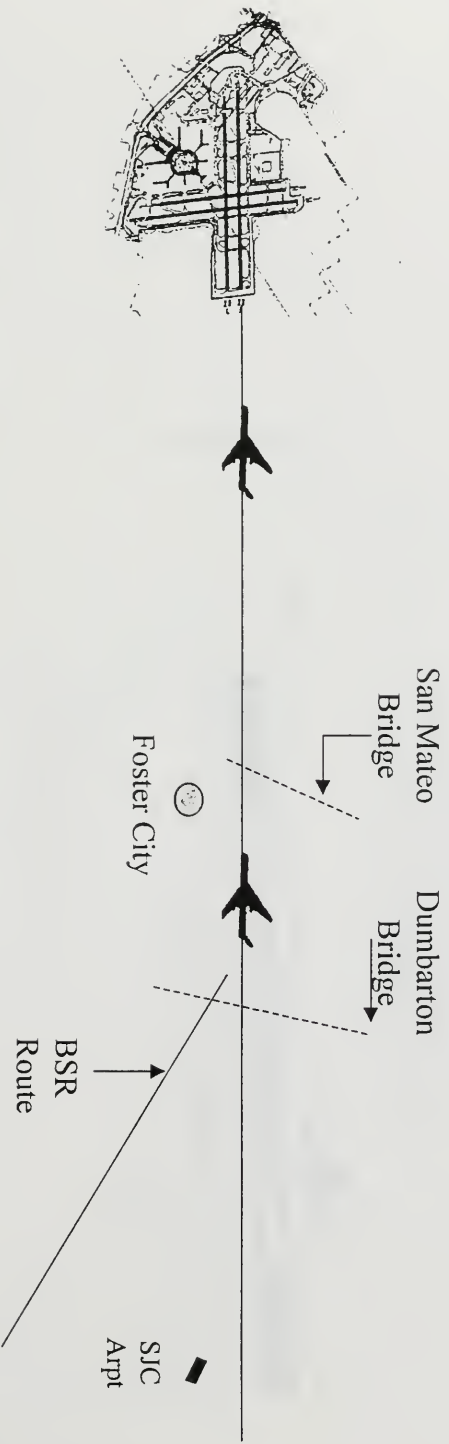
Weather Minima

3,500/5

Up To 60 Airplanes/Hr



## Today's In-Trail ILS

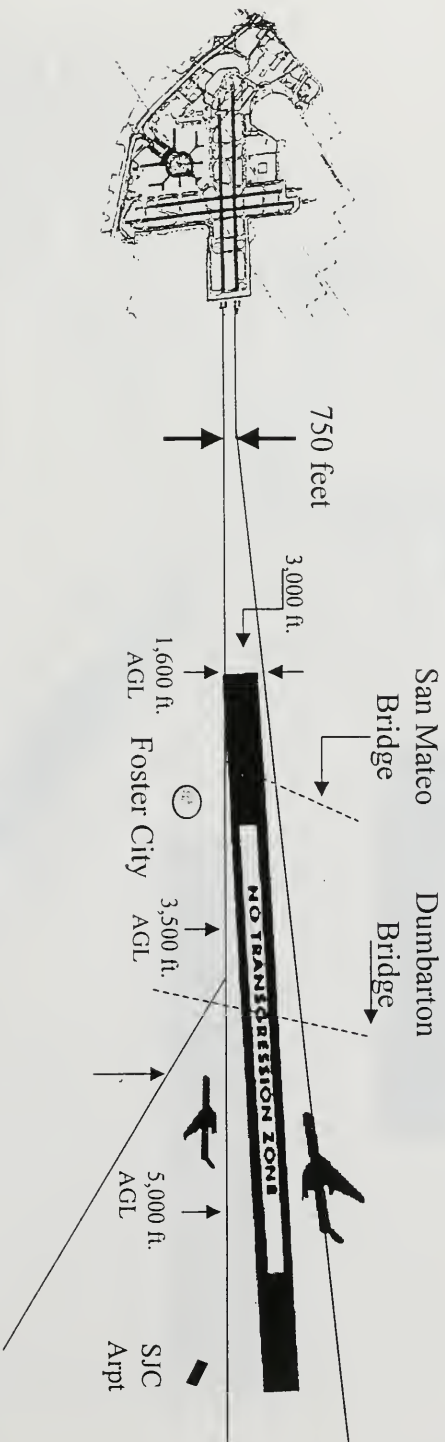


## Weather Minima CAT-III

Up To 30 Airplanes/Hr



## SOLA Operation



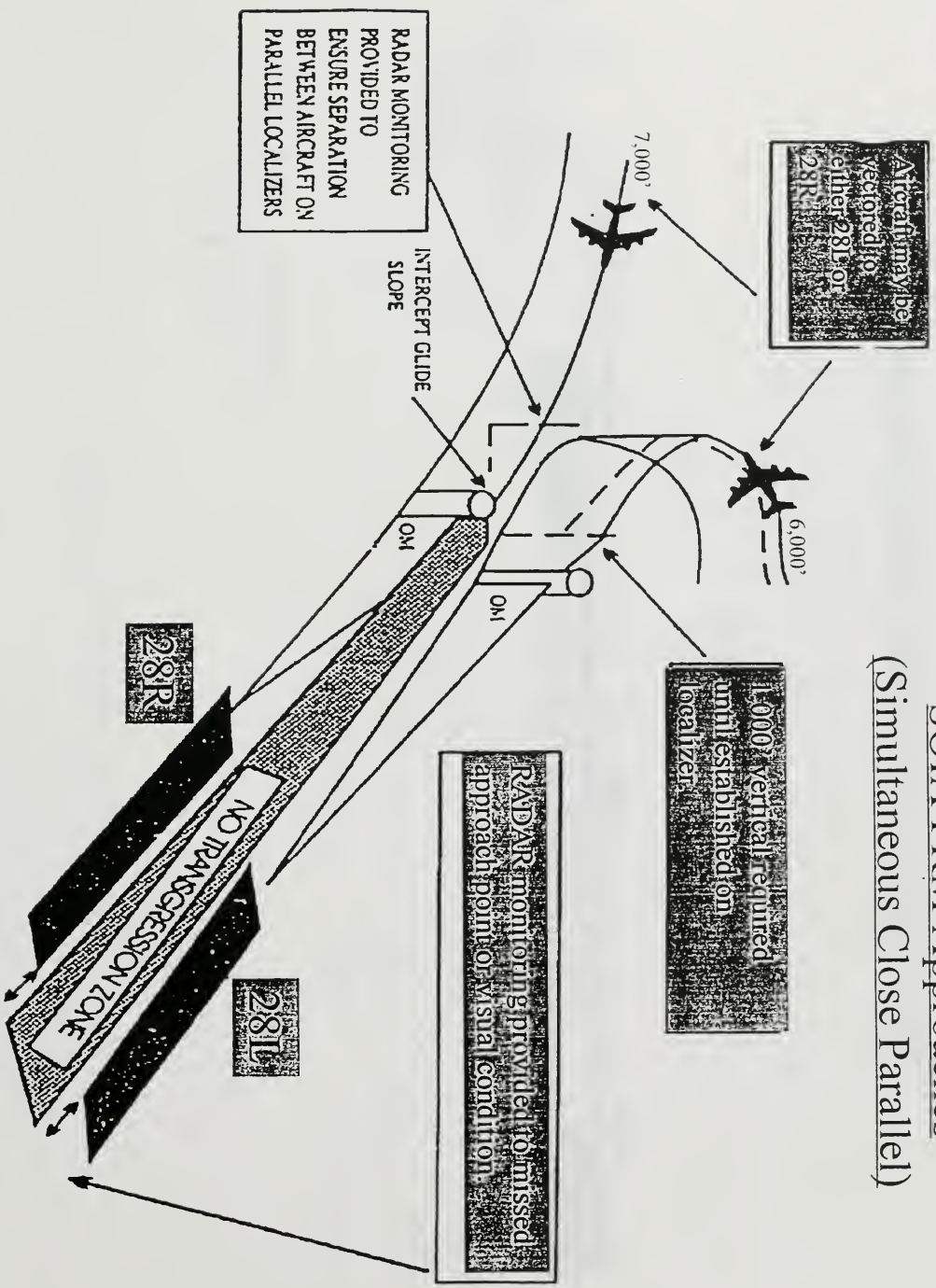
Weather Minima  
1,600/4

35 - 40 Airplane/Hr



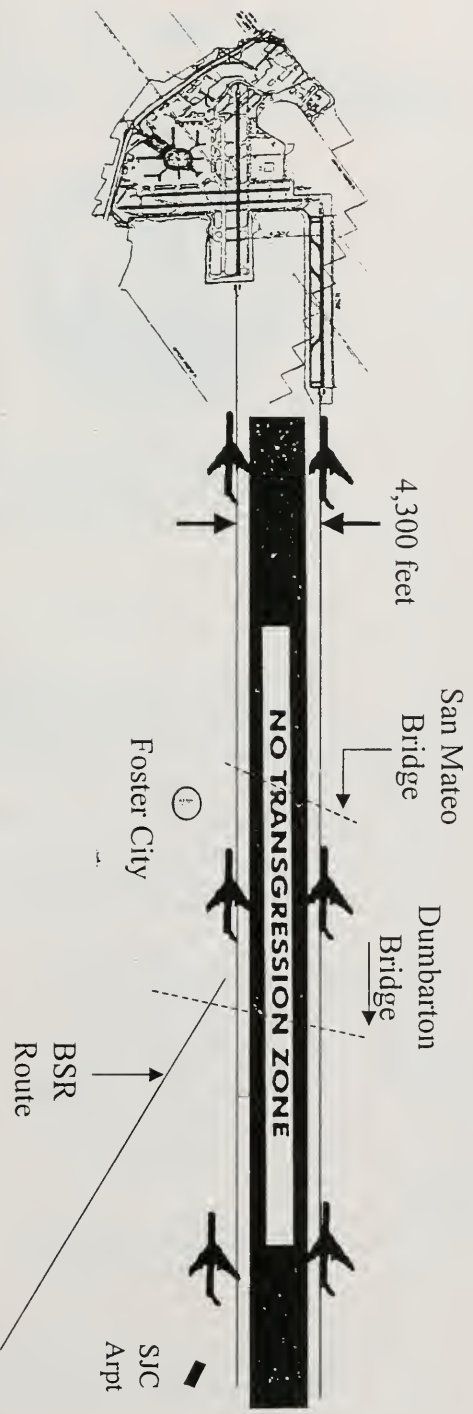


# SOIA PRM Approaches (Simultaneous Close Parallel)





## Simultaneous Parallel Instrument Approaches



## Weather Minima CAT-III

Up to 60 Airplanes/Hr



# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

October 19, 1999

9:00 A.M.



ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**LARRY MAZZOLA**  
Vice President

**MICHAEL S. STRUNSKY**

**LINDA S. CRAYTON**

**CARYL ITO**

**JOHN L. MARTIN**  
Airport Director

DOCUMENTS DEPT.

NOV 16 1999

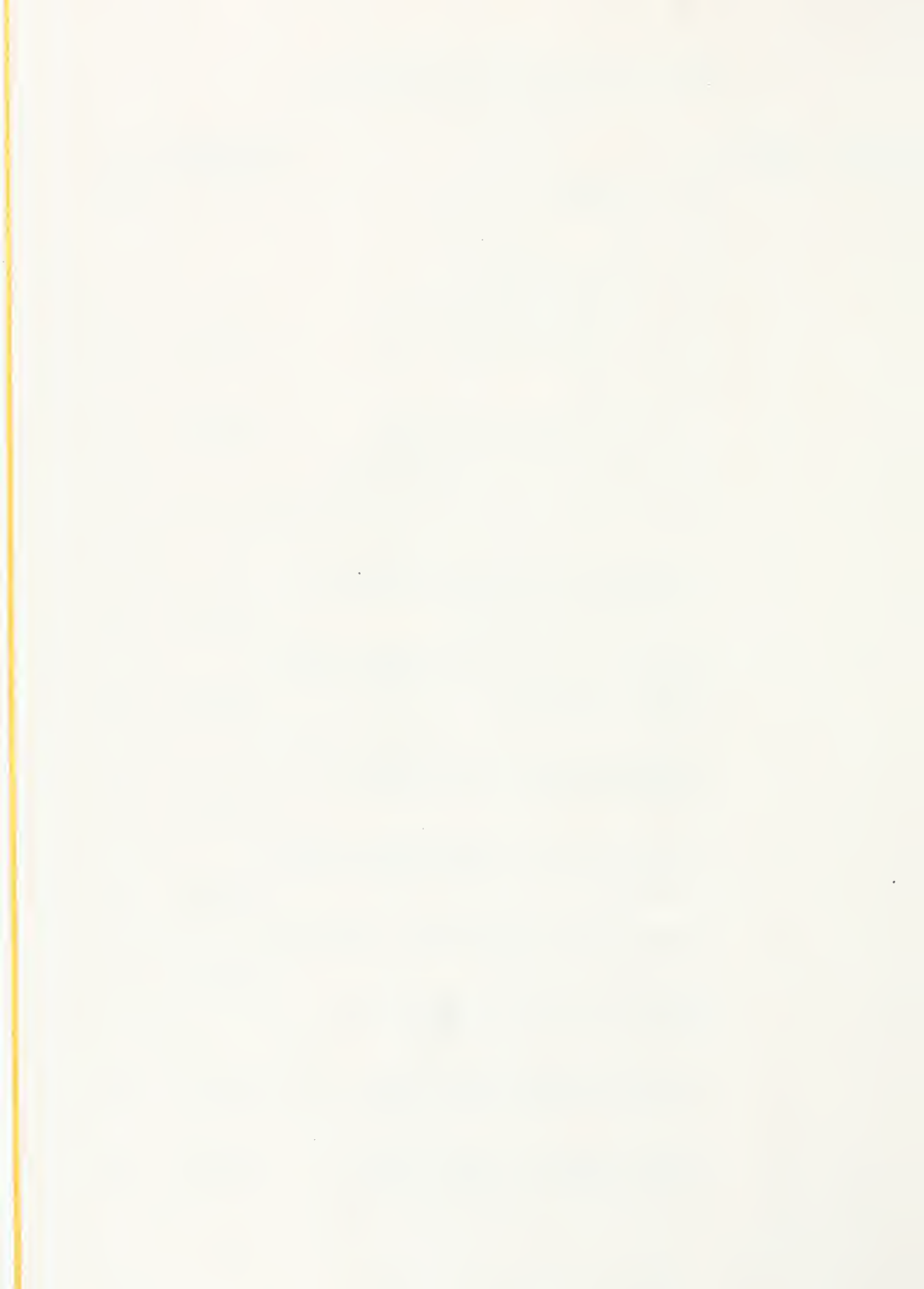
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Minutes of the Airport Commission Meeting of  
October 19, 1999

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
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B.		ROLL CALL:		3
C.		ADOPTION OF MINUTES:		
		Regular meeting of October 5, 1999	99-0377	3
D.		SPECIAL ITEM:		
	1.	Retirement Resolution: John Dunne	99-0378	3
E.		ITEMS INITIATED BY COMMISSIONERS:		3
F.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	2.	Modification No. 16 to Contract 5500E - International Terminal General Construction - Tutor-Saliba/Perini/Buckley	99-0379	4
	3.	Modification No. 8 to Contract 5520E - Boarding Area G General Building Construction - Tutor- Saliba/Perini/Buckley	99-0380	4-5
	4.	Modification No. 1 to Contract 5515A - Security and Special Systems - Security Systems - AMELCO Electric	99-0381	5
	5.	Modification No. 1 to Contract 5515B - Security and Special Systems - Facility Systems - HSQ Technology	99-0382	6
	6.	Reject All Bids - Contract 5531A - Taxiways H & M Realignment, Phase A	99-0383	6-7
G.		ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:		
	7.	Award Contract 5500S - San Francisco Airport Commission Museum Aviation Library	99-0384	7-8
	8.	Award Professional Services Contract for Airfield Development Planning - HNTB	99-0386	8
	9.	Award of the New International Terminal		





H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

- |     |  |         |    |
|-----|--|---------|----|
| 10. | Award Contract 4042 - North Terminal Mechanical Rooms - Modification of Pressurized Doors - Resource and Design                            | 99-0387 | 9  |
| 11. | Modification No. 1 to Airport Information Booth Program - Polaris Research & Development   | 99-0388 | 9  |
| 12. | Authorization to Issue a Request for Proposals for Consulting Services to Evaluate Requirements for a "Pay on Foot" Parking Payment System | 99-0389 | 9  |
| 13. | Authorization to Conduct a Pre-Proposal Conference and Approve a Holdover of the Current Tennant - North Terminal Bookstore Lease          | 99-0390 | 9  |
| 14. | Authorization to Issue a Request for Proposals for Lot DD/Multi-Modal Center Planning  | 99-0391 | 9  |
| 15. | Food and Beverage Service at Lot DD Employee Garage - Java Espresso  | 99-0392 | 10 |
| 16. | Rent Credit to Host International for the Relocation and Alteration of Four Offices  | 99-0393 | 10 |

I. NEW BUSINESS:

Curbside Management 10-11

J. CORRESPONDENCE: 11

K. CLOSED SESSION:

Potential Litigation 11

L. ADJOURNMENT: 11



# AIRPORT COMMISSION MEETING MINUTES

October 19, 1999

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Linda S. Crayton  
Hon. Caryl Ito

Absent: Hon. Larry Mazzola, Vice President  
Hon. Michael S. Strunsky

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of October 5, 1999 were adopted unanimously.

No. 99-0377

## D. SPECIAL ITEM:

### 1. Retirement Resolution for Mr. John Dunne

No. 99-0378

Mr. John Martin, Airport Director said that Mr. Dunne has worked for the City for 25 years, with the last 11 years at the Airport as a car and automotive painter.

\* \* \*

## E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

## F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 2 through 6 were adopted unanimously.



2. Modification No. 16 to Contract No. 5500E - International Terminal General Construction - Tutor-Saliba/Perini/Buckley, A Joint Venture - \$3,931,341

No. 99-0379

Resolution approving Modification No. 16 to Contract No. 5500E, International Terminal General Construction, with Tutor-Saliba/Perini/Buckley, A J.V., in the amount of \$3,931,341 for work related to design changes to facilitate construction. Funding source is Program Reserve.

Mr. Bruce Swanson, Bureau of Design and Construction, said that this modification is a compilation of design changes to facilitate construction and is a wrap up of hundreds of issues addressing scope errors/omissions in the contract documents and physical conflicts between the structural steel, mechanical-electrical infrastructure and base building.

As detailed in the information before the Commission, this modification will be funded from program reserves. The modification has been reviewed and approved by the Master Plan Advisory Board. All but \$187,800 has been reported to the Commission in previous reports. The balance will be part of the quarterly report to be presented to the Commission at the next meeting in November.

The M/WBE subcontractor participation remains the same for this contract. At the time of award, the Human Rights Commission accepted a 10.3% participation level versus the original 15% goal based on good faith efforts. Through September, 1999 the combined M/WBE participation was 24.4% (18.3% MBE and 6.1% WBE).

3. Modification No. 8 to Contract 5520E - Boarding Area G General Building Construction - Tutor-Saliba Corp./Perini/Buckley & Co., Inc. - \$3,258,384

No. 99-0380

Resolution approving Modification No. 8 to Contract 5520E, Boarding Area G General Building Construction with Tutor-Saliba Corp./Perini/Buckley & Co., Inc. in the amount of \$3,258,384 for design changes to facilitate construction and for tenant utilities extensions in the International Terminal Building. Funding sources are the Airport's Capital Improvement Program budget and Construction Contingency. There is no impact on the Master Plan Baseline Budget.

Mr. Swanson explained that this modification covers utility extension/infrastructure work for concessions in the International Terminal building and also design changes to facilitate construction in Boarding Area G. The first part of this modification will bring utilities to the individual concession leaseholds, similar to the change approved by the Commission at its last meeting for Boarding Area G.

As summarized in the information before the Commission, this work will be performed per the general terms and conditions of the contract on a time and



material payment basis in order to assure that the following tenant construction is not delayed and we maintain the International Terminal opening dates next year. The cost, not to exceed \$2,489,700, will be funded from Capital Improvement funds and has no impact on the Master Plan baseline budget.

The second part of this modification for \$768,684 is a compilation of design changes to facilitate construction on Boarding Area G. These changes encompass conflicts between disciplines of work and scope omissions between projects.

These costs have been included in previous reports to the Commission and do not impact the Master Plan baseline budget.

The aggregate M/WBE participation of 19.2% will be maintained in this modification.

The modification was reviewed and approved by the Master Plan Advisory Board.

4. Modification No. 1 to Contract No. 5515A - Security and Special Systems - Security Systems - AMELCO Electric - \$1,186,385

No. 99-0381

Resolution approving Modification No. 1 to Contract 5515A, Security and Special Systems - Security Systems, with AMELCO Electric, in the amount of \$1,186,385 for work related to design changes to facilitate construction. Funding sources are current budget underruns and contract contingency with no impact to the Master Plan Base Budget

Mr. Swanson explained that this modification is a compilation of design changes to facilitate the installation of the security systems in the terminal complex.

Approximately 30% of this modification are changes directly related to the installation and testing of the CTX Stage 3 security equipment supplied by Invision. These machines were procured separately to obtain certain technical benefits, precipitating changes that couldn't be defined in the original design documents.

The remainder of the changes are a direct result of base building changes made after the security system contract bid.

Funding will be provided by the current project budget and contract contingency with no impact to the Master Plan baseline budget.

The balance of the work exclusive of the proprietary Invision scope will utilize the same M/WBE subcontractors maintaining the 8% MBE and 2% WBE goals established for this contract.

Commissioner Berman asked what the original amount of the contract was.

Mr. Swanson responded that the original amount was \$12.3 million.





5. Modification No. 1 to Contract No. 5515B - Security and Special Systems - Facility Systems - HSQ Technology, A Corporation - \$2,082,191

No. 99-0382

Resolution approving Modification No. 1 to Contract No. 5515B, Security and Special Systems - Facility Systems, with HSQ Technology, A Corp., in the amount of \$2,082,191 for work related to design changes to facilitate construction. Funding sources are current budget underruns and contract contingency with no impact to the Master Plan Baseline Budget.

Mr. Swanson said that this modification is a compilation of design changes to facilitate installation of the building management systems. These changes are a result of changes to the base building after the facility systems contract bid. In addition, because of the size and complexity of the building, changes to the fire alarm system addressing a two fire scenario were added.

Funding is provided from the project budget underruns and contingency, with no impact to the Master Plan baseline budget.

This modification was reviewed and approved by the Master Plan Advisory Board.

The original M/WBE participation goals of 8% / 2% respectively will be maintained.

Commissioner Berman recommended that in the future the total amount of the contract be included in the information provided to the Commission.

Commissioner Crayton asked if this item was the result of an oversight.

Mr. Swanson responded that all four of the Security and Special Systems contracts were performance based procurements. They were designed and procured separately from the base buildings and after the base building designs were completed, bid and in construction.

Assumptions were made with the base building. Changes to the base building occurred after these contracts were bid and awarded, resulting in these changes.

Commissioner Berman asked how much the original contract was for.

Mr. Swanson responded that the original contract amount was for \$12.5 million.

6. Reject All Bids - Contract No. 5531A - Taxiways H & M Realignment, Phase A

No. 99-0383

Resolution rejecting all bids for Contract No. 5531A, Taxiways H and M Realignment, Phase A and authorizing Director to rebid when ready.

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance explained



that this is the first phase of a multi-phase contract. This first phase provides a temporary alignment to Taxiways H and M into the new Boarding Area A.

The scope of this contract went well beyond what was necessary to provide taxiway access into the Boarding Area.

Because bid protests slowed down the award of this contract, it is in the Airport's best interest to reject all bids and drastically rescope and rebid the contract to fit the time restraints of opening up Boarding Area and the impending rainy season.

Mr. Eavis added that the new contract will be about \$2 million. As this is a temporary taxiway, we are just going to provide access into the new Boarding Area. With the construction of Boarding Area B, this taxiway will have to be moved again.

\* \* \*

#### G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 7 through 9 were adopted unanimously.

7. Award of Contract No. 5500S - San Francisco Airport Museum (SFO Museum) Aviation Library - Lem/M.H. Construction, A Joint Venture - \$4,067,360

No. 99-0384	Resolution awarding Contract 5500S, San Francisco Airport Museum (SFO Museum) Aviation Library to Lem/M.H. Construction, A J.V., in the amount of \$4,067,360, contingent upon a favorable determination regarding M/WBE and related requirements. This project is funded from the Airport's Capital Improvement Program with no impact on the Master Plan Baseline Budget.
-------------	---

Mr. Swanson explained that on May 18, 1999 the Commission authorized the Director to call for bids for the San Francisco Airport Museum.

The purpose of this project is to create a public aviation museum and library. It will replicate the original 1937 passenger terminal and house 3,400 books and periodicals in addition to 7,000 archival and museum pieces.

Three bids were received on September 23, 1999, with Lem Construction/M.H. Construction submitting the apparent low bid at \$4,067,360.

The contract duration is 204 days or approximately 7 months.

The lowest base bid is 16% higher than the \$3,510,364 originally budgeted for this project. However, the bid is less than the revised estimate based on changes required for storefronts, utilities and security for the space. Additional capital improvement funds are available to award this contract.

The M/WBE subcontracting goal for this contract was 20% / 7% respectively. Lem's



bid supports a 35.9% MBE and 17.1% WBE participation. The HRC provided oral approval on the contractor's M/WBE goals. A letter to that effect is forthcoming.

8. Award Professional Services Contract for Airfield Development Planning - HNTB - \$2-million

No. 99-0386                      Resolution awarding a Professional Services Contract to HNTB for Airfield Development Planning in an amount not to exceed \$2-million.

Mr. Matt Mead, Airfield Development explained that on June 15, 1999 the Commission authorized staff to proceed with a Request for Proposals for Airfield Development Planning to solicit qualified firms for the reconfiguration studies.

The scope of the work includes detailed regional airspace analysis, capacity analysis, and aircraft/airspace obstruction surveys analysis.

This work is necessary in order to conduct full environmental analysis on the program alternatives. After interviews, HNTB was chosen as the most qualified firm based on project approach, experience and qualifications of staff, understanding of SFO issues, policies and objectives, and availability of staff.

HNTB, a non-M/WBE firm, met the HRC goals of 11% MBE and 9% WBE.

Commissioner Berman asked what HNTB stood for.

Mr. Mead said that HNTB stands for Howard, Needles, Tammen and Bergendorff.

9. Award of the New International Terminal Discretionary Store Lease - N & C International, Inc. - Minimum Annual Guarantee: \$178,888

No. 99-0385                      Resolution awarding the New International Terminal Discretionary Store Lease to N & C International, Inc., a local and minority-owned business enterprise, with a minimum annual guarantee of \$178,888.

Mr. Bob Rhoades said that Resolution No. 99-0249 authorized staff to accept bids for the Discretionary Store Lease in the new International Terminal. The facility, consisting of approximately 1200 sq. ft., is located on the Boarding Area G side of the main hall.

Perspective bidders could select either a kids theme encompassing kids apparel, toys and games, or, a functional unique products theme, similar to what is found in Brookstone and Sharper Image.

Two bids were received on September 1, 1999 ... N & C International, Inc. at \$178,888, and DFS Group LP at \$120,000.



N & C, a minority-owned local business enterprise, has previously operated retail facilities in the South Terminal.

\* \* \*

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 10 through 16 were adopted unanimously.

10. Award of Contract No. 4042 - North Terminal Mechanical Rooms - Modification of Pressurized Doors - Resource and Design, Inc. - \$366,989

No. 99-0387                      Resolution awarding Contract 4042, North Terminal Mechanical Rooms, Modification of Pressurized Doors to Resource and Design, Inc. in the amount of \$366,989.

11. Modification No. 1 to Airport Information Booth Program - Polaris Research & Development, Inc. - \$2.8 million

No. 99-0388                      Resolution to modify the existing contract with Polaris Research & Development, Inc. to extend term of contract beyond the October 14, 2000 termination date for one additional renewal option of one year, or through October 14, 2001, in an amount not to exceed \$2.8 million.

12. Authorization to Issue Request for Proposals for Consulting Services to Evaluate Requirements for a "Pay-on Foot" Parking Payment System

No. 99-0389

13. Authorization to Conduct a Pre-Proposal Conference and Approval to Holdover the Current Tenant - North Terminal Bookstore Lease

No. 99-0390                      Resolution authorizing staff to conduct a pre-proposal conference for the North Terminal Bookstore Lease and approve the holdover of the current tenant, Books, Inc.

14. Authorization to Issue Request for Proposals for Lot DD/Multi-Modal Center Planning

No. 99-0391                      Resolution authorizing director to a issue Request for Proposals to pre-qualified firms for transportation and parking consulting services for Lot DD/Multi-Modal Center Planning.





15. Food and Beverage Service at Lot DD Employee Garage - Java Espresso

No. 99-0392

Resolution authorizing provision of a food and beverage service at Lot DD Employee Garage by Java Espresso for a six-month trial period.

16. Rental Credit to Host International, Inc. for the Relocation and Alteration of Four Offices - \$50,000

No. 99-0393

Resolution authorizing a rental credit to Host International, Inc. for the relocation and retrofit of four offices in the Airport Terminal in an amount not-to-exceed \$50,000.

\* \* \*

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

Mr. Ray Sloan, representing a consortium of eight companies operating in the yellow zone, requested that a public hearing be held regarding the new curbside management system in the yellow zone and the inequitable treatment experienced by the van companies.

In July 1993 an award process was begun that would have eliminated a lot of the van companies at the zone. They fought that and won. In the ensuing years it was stated that there would be a process and a system put in place that would ameliorate the curb situation at the Airport.

A report from his own consultants shows that there is a more equitable way to treat the companies. All of the zones should be made available to everyone. As it exists today, there is a zone for select companies and they have exclusive rights to use it. The remaining 10 companies are herded into a single zone.

The new situation will triple their fees, yet those companies that have exclusive rights will pay about one tenth the amount of what the companies in the yellow zone will pay. This is not serving the public.

He formally requested a hearing before this new system begins.

Mr. Martin said that Airport staff will continue to meet with the operators and receive their input as they have for the last year and a half. The Commission has approved the direction in which we are moving, with the Airport taking more control of the curbside management.

Staff will report back in November regarding any problems that continue to exist.



Mr. Sloan requested a specific date for his group to address the Commission.

Mr. Martin asked Mr. Sloan to put his specific concerns in writing, identify the operators he represents and forward it to him.

Mr. Sloan responded that the letter is in draft form today. They would like a public hearing. The other two zones have been allowed to keep their coordinators.

They have problems at the yellow zone because they compete with ten different companies. Vans operating at the other zones can get to the curb within five minutes. The companies in the yellow zone take an hour to an hour and 20 minutes to get to the curb. They need immediate relief with the increase in fees.

Commissioner Crayton thanked Mr. Sloan for his comments but did not believe a public hearing was necessary. Mr. Sloan will receive a response to his letter.

Mr. Martin said that he will report back to the Commission on this item.

\* \* \*

J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. CLOSED SESSION:

The Director informed the Commission that it was not necessary to go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:28 AM.

  
Jean Caramatti  
Commission Secretary



# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

November 2, 1999

9:00 A.M.

✈ ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**LARRY MAZZOLA**  
Vice President

**MICHAEL S. STRUNSKY**

**LINDA S. CRAYTON**

**CARYL ITO**

**JOHN L. MARTIN**  
Airport Director

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Minutes of the Airport Commission Meeting of  
November 2, 1999

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# AIRPORT COMMISSION MEETING MINUTES

November 2, 1999

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Michael S. Strunsky  
Hon. Linda S. Crayton  
Hon. Caryl Ito

Absent: Hon. Larry Mazzola, Vice President

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of October 19, 1999 were adopted unanimously.

No. 99-0394

\* \* \*

## D. DIRECTOR'S REPORTS:

### 1. Master Plan Quarterly Update

Report on the status of the Master Plan Projects as of September 15, 1999, in accordance with the Baseline Budget and Schedule.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that through the third quarter of 1999 the Airport awarded \$2.3 billion, or 94% of the program budget excluding allowable contingency and program reserve. In terms of construction only, a total of \$1.86 billion, or 92% of the budget has been awarded through the reporting period. There were no new construction contract awards during the last quarter. Total awards during this quarter amounted to \$40 million in contract modifications in both construction and professional services.

Over the next six months we anticipate awarding approximately \$40 million in construction contracts. The total awarded percentages will reach 96% of the program budget, or 94% of the construction budget (excluding both program reserve and allowable contingency.)



Invoices approved since the last report totaled \$136 million, bringing the total invoiced amount to \$1.96 billion or 75% of the total current budget excluding program reserve.

Contingency usage allocated to date is \$125 million or 83% of the contingency budget as compared to a 77% completion level. Allotted amount, which considers change orders, proposed change orders and all trends are forecast to be at \$151 million, which exceeds the budget by about \$6 million.

Current forecast of Master Plan expenditures (excluding program reserves) through program completion is \$2.387 billion. Current forecast for program reserve at completion is \$71 million. We are forecasting \$25 million for potential claims and impacts not substantiated or factually supported at this time, but carried as a trend in the cost reports. Those are exclusive of the \$71 million.

The total program reached 77% completion, with 89% design completion and 77% construction completion.

The International Terminal building (90% complete), Boarding Area A (92% complete), and Boarding Area G (98% complete) are proceeding for a 4th quarter 1999 substantial completion. The baggage handling system is 82% complete with the completion scheduled for January 2000.

Elevated Circulation Roadways are 81% complete and the inbound/outbound ramps projects are 77% complete. Substantial completions are scheduled for February and April 2000 respectively.

The AirTrain Operating System supply contract is in its design phase. The forecast for full passenger service remains December 15, 2001.

The detailed programming of tenant improvement work continued this quarter. The first tenant build out in the International Terminal building commenced in September 1999. The first airline tenant access is scheduled for November 1999 in Boarding Area G.

The three Securities and Special Systems contracts continued installation of equipment and systems infrastructures in the International Terminal Complex. Project completion is forecast for January 2000.

The overall International Terminal Complex is proceeding on schedule for a phased opening to take place in mid-2000.

In the area of job safety, our actual rate for recordable incidents and lost time is slightly lower than the Federal average but above our stated goal which is 50% of the Federal average.

The MBE/WBE participation is 23% / 5% respectively on the program level, and the design level is at 50% and 8% respectively. Construction is 18% and 4% respectively.



In summary, the Master Plan implementation program is proceeding on the basis of selective work acceleration to meet the scheduled completion dates while remaining within the baseline budget.

Commissioner Strunsky noted that Page 4 of the Executive Summary shows early completion, late completion and expenditures. Both curves are models for a project of this size. Based on that data, Mr. Kardos and his staff are doing an amazing job. The information clearly shows that this project is on schedule and that the expenditures to date fall within the appropriate range for the project.

Sometimes decisions made early become a problem. He pointed out that the forecast increased this quarter by \$53 million. When this project began the Master Plan and certain Capital Improvement Projects relating to the Master Plan were lumped together. Presently, of the \$53 million increase about \$35 million comes from Capital Improvement and the remainder comes from the Master Plan. The cost growth within the Master Plan appears to be under control.

Mr. Kardos responded that the overall construction program that the Airport presently controls is approximately \$3 billion in aggregate. The \$2.5 billion being the Master Plan, and \$500,000,000 is the related capital improvements.

The Director wanted to have a firm handle on the Master Plan expenditures, as well as control the capital improvements related to the Master Plan. That is why the reporting system is the way it is.

The \$38 million is capital improvements in the worse case is revenue neutral, but in the case of the concessions we have a \$260 million program going which will have a tremendous return on capital.

Commissioner Crayton said that the baseline contingency budget appears to exceed what was allocated.

Mr. Kardos responded that we are forecasting that the Master Plan contingency budget, considering all change orders, proposed change orders and trends that are being forecasted, will exceed the Master Plan contingency budget by \$6 million. That \$6 million comes out of the Program Reserves, which is included in this forecast that projects the \$71 million reserve.

Commissioner Ito asked if the \$25 million in potential claims was a conservative estimate.

Mr. Kardos responded that it is conservative, but not necessarily the worst case scenario. It has no factual background to substantiate it. We are trending it.

Commissioner Ito asked if the build-outs have any real trouble spots.

Mr. Kardos responded that we do not see anything major there. We may have some problems in coordination and accommodation of the various contractors, but that is not unusual.





## 2. Status Report on Transit First Policy

Summary of new, planned, and on-going programs in support of the Transit First Policy.

Mr. John Costas, Acting Airport Director explained that since the beginning of the Master Plan development in the 1980s the Airport has been in the forefront for setting policies and programs encouraging alternative modes of transportation to the Airport rather than the single occupancy vehicle.

Last years use of mass transit to the Airport was around 41%, the highest among any airport in the United States.

Ms. Alice Sgourakis, Landside Operations explained that in 1996 the Commission adopted a "Transit First Policy" which gives priority to high occupancy vehicle modes at the Airport. At that time the Airport already had programs in place that encouraged the use of commercial ground transportation ... the BART/SFO Express, the free Caltrain/SFO Shuttle, a transportation hot line and a media campaign that promoted ground transportation as well as use of that hot line.

The "Transit First Policy" has the following goals: reduce traffic congestion on Airport as well as within the region, support improved transit access and intermodal connections to the Airport, development of underutilized resources such as water and rail transit, maximize high occupancy vehicle convenience which means facilitating access and processing users efficiently through the system, and increase the efficiency of the Airport's transportation infrastructure.

The new programs include the Curbside Management Program anticipated for operation by mid January 2000. This will improve customer service at the curbs and the traffic flow on the roadways through the pick up zones. It will effect the door-to-door van operators, scheduled operators, taxis and limos. We hope that this proactive customer service approach will improve the public's perception regarding ground transportation and hopefully increase ridership.

Landside is working with scheduled transit operators to develop comfortable waiting areas on the lower level of the terminals where the rental car counters used to be. These areas will have public address announcements providing arrival and departure information, LED displays, and improved signage.

Preliminary studies have identified the fifth level of the garage as the optimum location for our ground transportation center. Additional design work will be undertaken in the fall of 2000 to maximize the potential of the site and make it customer friendly. Full development and implementation won't take place until after the new International Terminal garages are complete, the pedestrian over bridges are reconstructed and verticle circulation elevator improvements are made in the existing terminals.

Door-to-door vans, taxis and limos will pick up in the Ground Transportation Center (GTC) when it becomes operational in early 2002. That will reduce the number of trips on our existing terminal roadways by about 1,850,000 a year.



Staff is investigating the feasibility of constructing a pier or ramp for ferry service at our seaplane harbor. Either a hovercraft or high speed ferry service would accommodate both passengers and cargo and hopefully improve connections to the Airport from the north by the San Francisco Ferry Terminal, or from the south by a possible terminal at Moffitt Field. The target implementation date for that service is tentatively set for fiscal year 2001/02.

Staff has made available commuter checks through a pre-tax payroll deduction program as part of the City-wide program. The Airport has also been selling transit tickets to employees and passengers at the terminals for their convenience.

Additional transit incentive programs are a guaranteed ride home program which we hope to implement in the near future.

We will be working with SamTrans and BART to develop programs that would include the purchase of bulk tickets at a discount that could be provided to employees, as well as the initiation of new routes and services.

The feasibility of remote terminal facilities and parking lots was recommended in the Pacific Transit Management Report last year. We are continuing to investigate those options in more detail. Particularly because of space constraints and continuing passenger growth these remote terminals will be an attractive option for passengers coming from the East Bay and South Bay corridors. We will seek cooperation from the airlines and the other Bay Area airports to move forward with these plans.

Traffic control measures such as the Lower Level Diversion Program which requires vans and taxis to drop their passengers off on the lower level have been implemented. This avoids the highly congested upper level and gets passengers to their gates faster.

During the day, as mitigation for the AirTrain construction that has limited the outer roadway to one lane, we have dedicated that lane to scheduled buses and taxis.

We will continue to look at other options that will help manage movements through the Airport more efficiently. One of the options recommended was to move the public traffic from the inner roadway to the outer roadway, and move the commercial traffic to the inner roadway near the terminals. Construction makes that option infeasible. The option will be reevaluated at the end of construction.

The BART/SFO Express has doubled its ridership since service was initiated in 1994. By the end of 1999 the BART/SFO Express will have carried in excess of 1.9 million passengers. That provides a solid ridership base for direct BART service once it is in place.

The Caltrain/SFO Shuttle now averages about 13,700 passengers a month. Initially partially funded by the Air District, it is now fully funded by the Airport.



The Transportation Hot Line averages 2,500 calls a month, most of which are from the Bay Area. About 10% of those calls are from other parts of the country. An AT&T language line has recently been added to better serve non-English speaking callers.

Our current "Go with the Pros" media campaign includes radio, print, TV, internet, direct mailings and press briefings. It integrates both an environmental message as well as outreach to the Bay Areas multi-ethnic communities.

Staff is committed to continuing to develop programs that are environmentally sensitive and innovative to support the Airport's "Transit First" policy.

Commissioner Ito asked if we ever received a report on the Ferry Study and the feasibility of hovercraft service.

Ms. Sgourakis responded that a report was provided and that report is the basis for these follow-on studies.

Mr. Costas added that the results of that study are still being reviewed. There are considerations of the ferry service being environmentally sound. That has to be balanced against the level of service this would provide.

As part of the Master Plan, consideration was given to building a ferry dock in the seaplane harbor. Although still a consideration, there is no proposal for a service and equipment to do the work. We have postured ourselves to accept whatever is appropriate to our level of service. There are some concerns about what that level of service will be.

Commissioner Berman asked if signage will be multi-lingual. Will the information booths be staffed by multi-lingual employees?

Ms. Sgourakis responded that the new International Terminal will be staffed by multi-lingual agents, just like our existing booths. There will be two Traveler's Aid booths on the upper level of the new International Terminal, as well as two of our contract information booths at either end of the new IT. There will be two information booths on the arrivals level.

Roving information agents will assist passengers as part of the IT opening.

Mr. Kardos said that international icons will be used on signage but the signage itself will be in English. The AirTrain system will provide announcements in four languages.

Commissioner Crayton asked if external signage is in additional languages.

Mr. Kardos responded that external signage is in English only.

Commissioner Strunsky asked that careful consideration be given to putting the public in the outer lane and placing taxicabs in the GTC away from the easy access of the passengers. These suggestions should be given careful



consideration before being implemented.

Mr. Costas said that the report will be revisited as the GTC nears completion.

3. Report on Employment and Community Partnership Programs

Summary of programs and activities of the Office of Employment and Community Partnerships for Fiscal Years 98/99 and 99/00.

Ms. Theresa Lee, Deputy Director, Administration explained that the Employment and Community Partnerships Programs (ECP) was established in July 1997 to address and develop school-to-career and welfare-to-work programs for the Airport and facilitate employment placement with our tenants.

In 1998/99 the Airport implemented six different intern programs, training and mentoring participants ranging from high school students to post graduates. Over 240 interns were placed. Eighty percent were San Francisco residents, 43% were female, and ethnic minorities represented nearly 80%.

We expect to increase our internship placement by 10% this fiscal year.

The other cornerstone of the program is the Workforce Development Program which focuses on individuals who are economically disadvantaged. Included in this program is the hiring fair, our Employment Information Center and our First Source Implementation.

Four hiring fairs have been conducted. This program involves the City's Department of Human Resources, San Francisco community-based organizations and our tenants. Applicants are screened, interviewed and offered jobs at the site. Hiring fairs have been held in the Mission, Chinatown, Tenderloin and Southeast/ Bayview Hunter's Point. Four additional fairs are scheduled to be held this fiscal year.

The Employment Information Center (EIC) is a self-service center. Individuals interested in employment at the Airport can access job announcements, work on resumes, and look at construction apprenticeship opportunities.

The program is highlighted on the Airport's web site. In the past fiscal year the site has received over 280,000 hits. Both the hiring fair and the EIC have been extremely successful and have been replicated by the Seattle Port Authority and San Mateo County.

Through these programs youths have been encouraged to seek careers in areas never before considered, provided management internships with exposure to different facets of Airport management, and helped place Welfare-to-Work and other economically disadvantaged candidates in positions at the Airport.

Commissioner Crayton applauded the programs and asked if only high school







graduates are sought.

Ms. Lee responded that the summer intern program takes high school graduates and above.

Commissioner Crayton asked how these interns are selected.

Ms. Lee responded that the summer intern program is filled through an outreach program through academic institutions, community-based organizations and is posted like a typical employment opportunity. Schools who refer placements are in the Youthworks program.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

F. POLICY:

Item No. 4 was adopted unanimously.

4 Concession Bond and Loan Assistance Program for Disadvantaged Business Enterprises - Wells Fargo Bank - \$3 million

No. 99-0395	Resolution increasing the Line-of-Credit from \$6 million to \$9 million with Wells Fargo Bank and request Board of Supervisor to encumber funds for the program for the Concession Bond and Loan Assistance Program for DBEs.
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Ms. Sandra Crumpler, Manager, M/WBE Program explained that at the Commission's May 4th meeting approval was given to establish the Concession Bond Loan Assistance Program for Disadvantaged Business Enterprises (DBE) and to increase the line of credit for the construction bond program from \$4 million to \$6 million.

The program began operation on July 1, 1999. With the selection of 16 DBEs for the new International Terminal's food and beverage program staff wants to insure adequate coverage for each DBE. Seven of these DBEs have requested assistance to date. Airport consultant, Mike Johnson with Merriwether and Williams Insurance Company is currently working with these DBEs to qualify them for bonds and bank loans to cover a portion of their working capital costs.

Approval is being sought to increase the line of credit from \$6 million to \$9 million and to increase the loan guarantee maximum from \$500,000 to \$1.5 million or 50% of the loan amount, whichever is less.



Commissioner Berman asked for a breakdown of information by categories.

Mr. Costas responded that reports will be provided on a quarterly basis.

\* \* \*

G. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 5 and 6 were adopted unanimously.

5. Modification No. 17 to Contract No. 5500E - International Terminal General Construction - Tutor-Saliba/Perini/Buckley, A Joint Venture - \$4,519,751

No. 99-0396

Resolution approving Modification No. 17 to Contract 5500E, International Terminal General Construction with Tutor-Saliba/Perini/ Buckley, A Joint Venture, in the amount of \$4,519,751 for work related to design changes to facilitate construction. Funding source is Program Reserve.

Mr. Kardos explained that this modification is a compilation of negotiated changes triggered by design drawing coordination issues responding to field requests for information and field change requests.

As detailed in the information before the Commission, the funding source is the Master Plan Program Reserve.

All of the changes have been reviewed and approved by the Master Plan Technical Advisory Board. The costs have been included in the cost forecast presented in our quarterly report.

The MBE/WBE participation goal (10.3% combined) remains unchanged for the modified contract. The current performance of the contract at the level of 24% M/WBE participation tremendously exceeds the established goals.

Commissioner Strunsky pointed out that every one of these changes is a brick and mortar change.

6. Modification No. 8 to Contract No. 5510E - New Boarding Area A General Building Construction - Hensel Phelps Construction Company - \$1,242,250

No. 99-0397

Resolution approving Modification No. 8 to Contract 5510E, New Boarding Area A, with Hensel Phelps Construction Co., in the amount of \$1,242,250 for implementation of New Tunnel G Interiors. Funding source is budget transfer from Contract 5540, New Tunnel G Interiors, with no impact on the Master Plan Baseline Budget.



Mr. Kardos explained that this modification reflects a scope transfer from a project, originally budgeted under a different project number, covering the build-out of the new Tunnel G interior. This tunnel was built to connect the existing garage with the North Connector Building, which in turn leads into the new Boarding Area G.

In order to comply with the Master Plan implementation's time constraints and the complex coordination requirements, Airport staff requested competitive quotes from the on-site general contractors. We received two quotes, one from Dillingham, and one from Hensel Phelps.

The lower quote was submitted by Hensel Phelps. The total contract value including the novated moving walkways is \$1,242,250, which is well within the original budget of \$2.2 million.

The MBE/WBE participation goals established for this contract remain unchanged for the modified contract. The current performance is slightly better than the goals.

Commissioner Strunsky noted that this work was previously authorized and does not increase the cost.

Mr. Kardos responded that it does not.

\* \* \*

#### H. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 7 was adopted unanimously.

7. Authorization to Issue a Request for Proposals for International Terminal Complex Technical Support

No. 99-0398

Resolution authorizing issuance of a Request for Proposals for Information Systems Technical Support and Professional Services for the New International Terminal Complex Common Use Terminal Equipment ("CUTE") System.

Ms. Lee explained that the new International Terminal will be a common use facility. The Airport owns the terminal equipment and controls the communication infrastructure. This is a new model for the Airport and requires a new expertise to support and maintain the equipment.

The sophisticated control systems require experienced Common Use Terminal Equipment (CUTE) technical resources not readily available at the Airport today. The key features of the new International Terminal will be the diverse and redundant communications infrastructure. It requires 24 hours a day, seven days a week monitoring of the capacity and health of the system to insure systems operation.



The contractor is expected to supply 24-hours a day, seven days a week technical support. The contractor will also be expected to train Airport staff in preparation of the contractor's scheduled expiration of work.

Commissioner Strunsky asked if we weren't running a little late on this.

Ms. Lee responded that we currently have employees on board that are working with Project Managers on the design and implementation phase. We could have brought this to the Commission two months ago, however, we wanted to make sure of the scope of work.

Commissioner Strunsky asked if these were operational funds.

Ms. Lee responded that they are.

\* \* \*

I. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 8 through 10 were adopted unanimously.

8. Modification No. 6 to Professional Services Contract No. 5510 - New Boarding Area A - Gerson/Overstreet, Architects, Inc. - \$349,777

No. 99-0399

Resolution authorizing Modification No. 6 of Professional Service Contract 5510, with Gerson/Overstreet, Architect in the amount of \$349,777. Funding will be provided by the Project Budget and the Capital Improvement Program (CIP) Budget with no change to the Master Plan Baseline Budget.

Commissioner Strunsky wanted to go on record by saying that there is an amount of money in this item for design of the exterior of the hotel. That really means massing and siting rather than design. We need to entertain proposals and concepts for the design of the hotel.

Mr. Kardos responded that we are. This is the outer appearance and the design concept to arrive at a sympathetic design with Boarding Area A. We want to make sure that the overall architectural impression is acceptable to the Airport and to the Art Commission.

Commissioner Strunsky agreed that we should be doing massing and siting, but was not so sure that we should be doing architectural design at this point.

Mr. Kardos said that once the hotelier is selected, the entire design may be adopted to the proposed footprint and structural set up that the hotelier is proposing. The aesthetic agreeability of the appearance of the structure.





Mr. Costas explained that Gerson Overstreet's work is more of concept, massing, and sizing to fit within our program architecturally. The schematic designs and the contract drawings will be done by the contract developer.

9. Approval of Lease Specifications and Authorization to Accept Bids for Domestic Banking Services Lease for North, Central and South Terminals

No. 99-0400

Resolution approving Lease Specifications and authorizing staff to accept bids for Domestic Banking Services Lease for North, Central and South Terminals.

10. Advance Funding for Noise Insulation Projects in the City of South San Francisco - \$2,239,651

Item No. 0401

Resolution authorizing the agreement to provide advance funding in the amount of \$2,239,651 to insulate religious assembly buildings in South San Francisco.

\* \* \*

J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 428 and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

K. CORRESPONDENCE:

-

There was no discussion by the Commission.

\* \* \*

L. CLOSED SESSION:

The Acting Director informed the Commission that there was no need to go into closed session.

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission will go into closed session in accordance with Government



Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

\* \* \*

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 9:55 AM.

  
Jean Caramatti  
Commission Secretary



5

16/99

# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

November 16, 1999  
9:00 A.M.

✈ ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

LARRY MAZZOLA  
Vice President

MICHAEL S. STRUNSKY

LINDA S. CRAYTON

CARYL ITO

JOHN L. MARTIN  
Airport Director

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Minutes of the Airport Commission Meeting of  
November 16, 1999

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# AIRPORT COMMISSION MEETING MINUTES

November 16, 1999

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 A.M. in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Michael S. Strunsky  
Hon. Linda S. Crayton  
Hon. Caryl Ito

Absent: Hon. Larry Mazzola, Vice President

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of November 2, 1999 were adopted unanimously.

No. 99-0402

\* \* \*

## D. DIRECTOR'S REPORTS:

### 1. Report on Disadvantaged Business Enterprise Assistance Program

Mr. Bob Rhoades, Deputy Director, Business, said that historically the Airport Commission has supported efforts to provide minority, women-owned and small business enterprises with opportunities in the Airport's concession program. As far back as 1980, the Commission adopted standards for what constitutes a small business enterprise. As early as 1983, the Principal Concession Program was developed whereby prime concessionaires would sublet space to minority and women-owned businesses.

Many of our minority and women-owned businesses operating at the Airport have come through this process. In the Airport's move to aggressively expand this program, staff has developed a number of tools that will assist us in attracting additional local, minority, and women-owned businesses.

We have developed a Concession Bond and Loan Assistance Program which provides disadvantaged businesses with financial assistance. Currently the line of credit available for these purposes is \$9 million. Disadvantaged business



enterprises can apply for loans of up to \$1.5 million, depending upon the size and complexity of the work.

Staff is developing a program to extend the outreach effort to the small business community in the City. We are working with the Small Business Advisory Commission and the Small Business Network to achieve this end.

Other incentives that will be incorporated into future leases will provide additional points to local businesses and DBEs who have never operated at the Airport.

We are also looking at incentives for prime concessionaires to increase their outreach toward the disadvantaged business community. Most recently under our food and beverage program in the new International Terminal our outreach resulted in 15 of the 16 operators being disadvantaged business enterprises.

Commissioner Ito noted that the recommendation on the bonding requirements is to reduce the bid bonds to assist DBEs to be competitive. Has this been done at other airports?

Mr. Rhoades responded that with respect to the bid bond we have consulted with the Small Business Network and they have advised that the typical practice is about 10% of the anticipated minimum annual guarantee. We have also heard from small businesses that it is expensive to obtain a larger bond. In some case, because of the collateral that is required, they are unable to do so. By reducing the bid bond, as opposed to the performance bond, the opportunities will be expanded to more small businesses.

Commissioner Ito said that since we are looking at giving additional points to businesses who have never done business at the Airport, are we looking at balancing that with the number of years of business experience?

Mr. Rhoades responded that we will require business experience. While we have a substantial minority-woman owned business program now (almost 50% of our facilities are leased to minority-women owned businesses), these additional incentives will provide other businesses with the opportunity to do business at the Airport.

Mr. Martin added that part of the problem is that the Federal definition of a small business is \$30 million or less. A company at that level yet still defined as small tends to have a great advantage on bidding concessions at the Airport. Hopefully, these extra points will create a larger bidding pool and provide a greater number of small businesses operating concessions at the Airport.

Commissioner Ito said that since the RFQ for the North Terminal Hub lease went out before these recommendations, she encouraged staff to seek cooperation with the winning bidder to foster the kind of work that Host has provided in the past.

Mr. Rhoades responded that is the plan.

Ms. Diane Miller, Miller Thompson Constructors explained that in the first part of



November she received a letter from the City Attorney's Office, signed by John Martin, requesting the general contractor to provide information on their contracts. Miller Thompson was cc'd. They were told that on or about November 9 investigators would visit all MBE/WBE firms to look at their financial records on all Airport contracts. She could not determine what contracts they were talking about. She tried to reach David Norman of the City Attorney's Office but was never able to resolve what was wanted.

Last Tuesday morning an investigator, a claims specialist from Los Angeles, and a copy service appeared at her front door. While she did not allow them to copy anything, two Airport contracts were identified for Tutor-Saliba. She asked the team to return on Friday when she would arrange for the information to be available.

The team returned Friday morning and began going through the documents. They asked to see her financial documents. She refused, indicating that they had no authority. The team cited a section in the general provisions of Airport contracts stating that they have the right to look at all of their files, financial records and reports. She provided what they cited authority for. The team left after four hours.

She received another note from the City Attorney requesting that she have all of her financial documents available on Wednesday.

She does not know what they are looking for. She cannot get anyone to answer her questions. At least 30 M/WBEs are being looked at. Some have complied. Some have not.

She is trying to cooperate but would like to know what the City Attorney is looking for. She would like to discuss this with someone.

She has spoken with the Human Rights Commission Director and was told that her firm would be decertified if she does not comply. She is willing to risk decertification if that is what it takes to receive an answer.

She has fulfilled all of her contracts for the City and County of San Francisco.

Mr. Mara Rosales, Airport General Counsel asked Ms. Miller to provide her card and she will contact her.

Ms. Miller said that it is a little disconcerting for the M/WBEs to have their offices raided without a summons and complaint and without knowing exactly what is going on.

Commissioner Clayton asked if we have been aware of what the National Minority Supplier and Development Conference has been doing regarding the restructuring, and what it means to be a Disadvantaged Business or a minority business. Has the Airport participated in the conference?

Ms. Sandra Crumpler, Outreach Officer responded that she received something in the mail from the Northern California Supplier Diversity. She thought the Board of Supervisors had calendared an item demonstrating a no-support stand on changing





the 51% to a lower percentage. She did not believe that the FAA would support that either.

The Airport is not a member of this organization. Mr. Ed Lee, Purchaser, has been involved in coordinating the activities.

She does not support lowering DBE ownership to a lower percentage. She knows some of the members and will work with them, but believes it is a problem.

Commissioner Crayton responded that they are not recommending lowering the percentage. The Board of Supervisors supported the resolution presented to them.

She asked for follow up information.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 2 and 3 were adopted unanimously.

2. Modification No. 2 to Contract 5500F - International Baggage System  
BAE Automated Systems, Inc. - \$4,715,371

No. 99-0403

Resolution approving Modification No. 2 to Contract 5500F, International Baggage System, with BAE Automated Systems, Inc., in the amount of \$4,715,371 for work related to airline revisions, design changes and unanticipated conditions. Funding source is contract contingency and program reserve.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that this modification is a compilation of changes triggered by unanticipated site conditions, design changes to accommodate additional baggage scanners and airline initiated changes to accommodate the outbound recheck function as well as the tour check-in functions.

All of these changes have been reviewed and approved by the Master Plan Technical Advisory Board. Funding sources are the contract's contingency budget and the Master Plan Program Reserve. The costs have been included in the cost forecasts presented to the Commission as part of the quarterly reports for this year.

The MBE/WBE goal for the base contract was a 5% combined participation. BAE, the prime contractor requested, and obtained approved for the substitution of an



MBE trucking firm. This substitution increased the combined MBE/WBE participation to 6.1% from the originally committed 5.28%. The 6.1% will remain unchanged for the modified contract.

Commissioner Berman asked if anything was gained from the unfortunate experiences in Denver.

Mr. Kardos responded that ours is a tried and proven system and has been operating at the Airport. The improvements are the electronics associated with the controls and the baggage identification. The system itself does not do anything new or revolutionary compared to the old system.

Commissioner Strunsky asked if the airlines are completely comfortable with the number and technology of the baggage scanners installed.

Mr. Kardos responded that they are. The additional baggage scanners are due to FAA requirements. The passenger profiling requirements are such that the number of bags going through third stage screening has increased.

Commissioner Strunsky asked if we will be providing more baggage scanning than is requested.

Mr. Kardos responded that we will.

3. Modification No. 1 to Contract 5511A - Boarding Area A Aircraft Apron - Ghilotti Brothers Construction Inc. - \$1,043,900

No. 99-0404

Resolution approving Modification No. 1 to Contract 5511A, Boarding Area A Aircraft Apron, with Ghilotti Brothers Construction Inc., in the amount of \$1,043,900 for construction of JAL (Japan Airlines) site improvements at the North Field.

Funding source is budget transfer from Contract 5750B, North Cargo Facility Building/Apron, with no impact to the Master Plan Baseline Budget.

Mr. Kardos explained that this modification reflects a scope transfer from the North Cargo Facility Project. The work scope covers site improvements adjacent to the Japan Airlines cargo building in the North Cargo area.

Airport staff solicited competitive quotes for the work from the North Cargo Facility's general contractor and the two paving contractors doing apron work for Boarding Areas A and G. The low bid was submitted by Ghilotti Brothers Construction, the apron contractor for Boarding Area A. The amount of the bid is \$1,043,900, well within the \$1.5 million overall budget established for the project.

The 25.8% MBE and 11% WBE participation goals established for the base contract remain unchanged for the modified contract and are considerably higher



than the 10% and 6% goals stated for the contract. Current performance of the contract exceeds the established goals.

\* \* \*

#### G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item No. 4 was adopted unanimously.

4. Authorization to Award Contract No. 4214 - International Terminal Site Furnishings and Exterior Amenities

No. 99-0405	Resolution authorizing the Director to award Contract 4214, International Terminal Site Furnishings and Exterior Amenities to the lowest responsive, responsible bidder.
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Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance explained that this contract provides for site amenities including transit shelters, benches, trash and ash receptacles and display signage for the new International Terminal.

One bid was received last Friday in the amount of \$2,354,917 from Angotti and Reilly, a W/LBE. Award of this contract will be subject to HRC certification of the goals.

Commissioner Ito asked if adequate time was given to bidders.

Mr. Eavis responded that the contract was advertised three weeks ago. The bid opening was moved up two days so that he could have the bids in before the Commission meeting.

Commissioner Crayton asked how large the potential pool of bidders was.

Mr. Eavis responded that only one other bidder was interested. Staff tried to outreach the contract, however, the money is in the manufacturing of the transit shelters, not the installation. There are 10 shelters that will come in at \$150,000 each. The contractor does not make much money on the contract.

\* \* \*

#### H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item Nos. 5 and seven through 13 were adopted unanimously. Item No. 6 was put over.

5. Additional Reimbursement to San Francisco Foreign Flag Carriers (SFFFC) for Providing Security Guard Services - \$1,000,000

No. 99-0406	Resolution authorizing additional reimbursement to SFFFC in the amount of \$1,000,000 increasing the total reimbursement amount from \$710,400 to
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\$1,710,400 for providing security guard services to the Airport.

Commissioner Strunsky asked if the cost is for two years.

Mr. Jackson Wong, Chief Operating Officer responded that the time element is open. Two years has been allotted for expenditure.

This covers the interim period when the terminal is still not fully operational. We have partial turnover of facilities for food and beverage and the airlines. The number of guards will be guided by the areas that are turned over. This gives us flexibility to have guards on site as fast as possible.

Mr. Wong said that he may return for additional funding. The number of security guards will be substantially reduced when the terminal security system becomes fully operational and everyone is in place.

Commissioner Berman requested a breakdown on the number of people and classifications.

Mr. Wong explained that this is a straight pass through. We don't know the numbers yet.

Commissioner Crayton asked if their security guard workforce reflects San Francisco's diversity.

Mr. Wong responded that McCoy Guard Service is from Bayview Hunter's Point.

Commissioner Strunsky asked if the Foreign Flag Carriers mark up this service.

Mr. Wong responded that they are not marking this up.

Item No. 6 was put over.

6. Award of Contract 4220 - West Field Road Electrical Improvements - Barri Electric Company - \$334,750

Resolution awarding Contract 4220, West Field Road Electrical Improvements, to the lowest responsive, responsible bidder, Barri Electric Company, in the amount of \$334,750.

Ms. Becky Anderson, President and majority owner of Beci Electric, said that she objected to the Human Rights Commission's rejection of their low bid.

The report states that their bid was non-responsive and failed to comply with Administrative Code Chapter 12D, the Minority Subcontractor Participation Program.





Contract No. 4220 requested bids on the installation of 20 light poles which are furnished by the Airport and installed along the West Field Road. The lights will replace existing lights. The conduit system is already in place. The initial scope of the contract included installation of a concrete island at the West Field Road intersection. A certified San Francisco minority contractor, Miller Tong Construction, was solicited to do the work, bringing her company into compliance with the subcontracting requirements.

This portion of the work was excluded by addenda the day before the bids were due. The fact that they met the subcontract minority goals before it was deleted on the last bid day is evidence of their good faith efforts to meet the goals.

Since the scope of the work after addenda was completely electrical work, they would have to subcontract their original work to minorities. A good faith effort for this scope of work could not be completed in this small window of time.

Ms. Anderson submitted to the Commission the FAXed addenda sent at 4:33 PM the day before the 10:00 AM bid opening. (See attached).

The bid documents on Page 00100-4, Paragraph 193, titled "Document 00430 Subcontractor List" state that "if bidder intends to utilize subcontractors it is necessary to furnish information required on this form." It does not state that it is mandatory to use subcontractors. Therefore, Administrative Code Section 12D does not apply to a bidder that chooses not to have a subcontractor.

Beci Electric supports San Francisco's Affirmative Action policies. They are a woman-owned company and certified with BART. Seventy percent of the employees scheduled to perform this contract live in San Francisco and are of minority descent.

They exceed the intent of the Affirmative Action program in every way. She believes that the HRC overlooked important distinctions in ruling against them.

Beci Electric has completed four previous contracts at SFO and they are well regarded by the Airport Engineering staff.

Commissioner Strunsky asked if staff is in agreement that this addenda was FAXed less than one business day prior to the bid opening and that it covered concrete work for an electrical contractor.

Mr. Eavis responded that he was unaware of the time frame until Ms. Anderson remarked on it. This item should be put over until the next meeting.

7. Award of a Professional Services Contract for Survey Management Contract for Years 2000 and 2001 - Polaris Research and Development - \$195,000

No. 99-0407

Resolution awarding a Professional Service Contract to Polaris Research and Development, contingent upon a favorable determination regarding M/WBE



participation requirements, for Survey Management to implement Airport survey work for the years 2000 and 2001 at a total cost not-to-exceed \$195,000.

Commissioner Ito asked what the plan is for non-English speaking travelers. She did not believe that a breakdown of non-English speaking passengers interviewed was provided in the report. How are they accommodated for a complete report?

Mr. Peter Nardoza, Deputy Director for Public Affairs responded that he will provide the breakdown this week.

8. Award of Professional Services Contract for Public Information Services for the Runway Reconfiguration Program - ER Group, LLC - \$100,000

No. 99-0408                      Resolution awarding a Professional Service Contract to the ER Group, LLC for public information services in Santa Clara County for the Runway Reconfiguration Program in an amount not to exceed \$100,000 for the year.

Commissioner Ito said that she was pleased to see a Latina subcontractor as part of this joint venture.

Who are the principals in ER Group?

Ms. Peg Divine, Deputy Director, Airfield Development responded that Marty Eber and Mr. Robinson are the principals of the ER firm. They are Caucasian males.

9. Modification No. 8 to Airline Liaison Office Agreement - \$2,221,500

No. 99-0409                      Resolution approving Modification No. 8 to the Airline Liaison Office Agreement to provide additional compensation of \$2,221,500 for fiscal year 1999/2000.

10. Modification No. 2 to Professional Services Contract - International Aviation Development Legal Services - Winthrop, Stimson, Putnam & Roberts - \$100,000

No. 99-0410                      Resolution authorizing Modification No. 2 to Professional Services Contract with Winthrop, Stimson, Putnam & Roberts to increase the amount by \$100,000 for International Aviation Development Legal Services; all other terms and conditions of the contract remain in full force and effect. Original contract amount \$100,000.



11. Bid-Call - Contract No. 4272 - Utility Repairs and Upgrades 2000

No. 99-0411 Resolution approving the scope, budget, and schedule for Contract 4272, Utility Repairs and Upgrades 2000, and authorizing the Director to call for bids when ready.

12. Bid-Call - Contract No. 4279 - On-Call Construction Services for Signs in Terminals

No. 99-0412 Resolution approving the scope, budget and schedule for Contract 4279, On-Call Construction Services for Signs in Terminals, and authorizing the Director to call for bids when ready. The construction budget for this work is funded from the Airport's Operating funds with no impact on the Master Plan Baseline Budget.

13. Assignment of the Contract with Gerchick Korens Associates to Gerchick-Murphy Associates LLC for continued Professional Services Support in International Aviation Development

No. 99-0413 Resolution authorizing assignment of Modification No. 1 to Professional Services Contract with Gerchick Korens Associates now to Gerchick-Murphy Associates LLC for continued International Aviation Development Services; all other terms and conditions of the contract remain in full force and effect.

\* \* \*

I. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 400 and submit it to the Commission Secretary.

Mr. Ray Sloan said that he represented Quake City Shuttle, City Shuttle, Door-to-Door, Pacific Shuttle, Peter's, Bay Shuttle.

Commissioner Crayton asked Mr. Sloan for whom he worked.

Mr. Sloan responded that since 1993 he has represented a group of shuttle owners called Ride-Share, a consortium of shuttle companies who felt they were being unfairly treated. He works with the law firm of Stephan Williams in Walnut Creek.

Commissioner Crayton asked Mr. Sloan if he is an attorney.



Mr. Sloan responded that he is not.

Mr. Martin asked Mr. Sloan who he specifically represents under contract today.

Mr. Sloan responded that he was asked to approach the Commission today by all of the companies he mentioned. He has a contractual relationship with them.

These shuttle companies have been asking for fair treatment for years. Last year they were asked to provide a report. The report was provided. A hearing was promised regarding the report but they have never had meetings that dealt with the issues of fairness at the curb and the Ts (the lining up of different vans and the process by which they come forward.) Some companies are given preferential treatment, others are relegated to zones that don't have the same advantages. This has been an on-going issue for the past five years.

The shuttle companies hired their own consultant at the request of the Airport Commission. The consultant studied the problem and came up with what the companies considered to be a fair alternative. It was never given a hearing.

He returned to the Commission on October 19 and requested a hearing. On November 8 he received a letter from Mr. Martin regarding the members of the consortium.

Mr. Sloan believed that his group should go before the Board of Supervisors for resolution of this matter. The shuttle companies have a right to petition the Commission for a meeting.

Commissioner Crayton asked what correspondence he has received and what meetings has he attended regarding this issue.

Mr. Sloan responded that in the summer of 1993 there was a move made for an RFP which would have allowed specific companies to operate at the Airport. Some of the shuttle companies represented today felt it was unfair for some companies to receive preferential treatment. He represented 300 drivers at that time. The Commission agreed that it was not in the best interest of the passengers to narrow this down to a few companies. A decision was made in July 1993 not to move forward with the RFP and to set up a temporary arrangement to accommodate the companies in operation.

The companies were then asked to come up with a plan. He appeared before the Commission on several occasions in the intervening years reminding them that his group had put together an alternate plan.

A few years later the Commission hired another consultant who created a new plan which incorporated the old rules.

His group feels that they never had the opportunity to put forth a plan at the Ts that treated all of the companies equally ... shuttles would line up and be called to the different zones on an equal basis. Everyone would have to wait the same amount of time. It would work in the same way as the taxis. There would be no preferential treatment.

Mr. Sloan does not believe that the Airport acted in good faith. The shuttle companies





were never included in the plans.

They want the opportunity for their experts to present their views to the Commission on how this situation can be improved.

Commissioner Berman asked what percentage of the service do these companies represent.

Mr. Martin responded that they represent 20% to 25% of the passengers using door-to-door shuttles.

Mr. Martin said that he would be happy to have Tony Bruzzone, the Airport's consultant who last did a review two years ago, sit down with the operators, the General Manager of the company that will manage the curbside contract, and with Landside staff to review the current operations and to hear the proposal of the operators. A report will then be presented to the Commission. The operators can return and provide further thoughts to the Commission as well..

Mr. Sloan asked if this issue will be calendared at a later date.

Mr. Martin responded that there will be a meeting at the Airport with our ground transportation consultant, staff and the curbside general manager. The staff will report back to the Commission.

Mr. Sloan said that he would like this issue calendared for a Commission meeting. They expect their request to be honored.

Commissioner Crayton told Mr. Sloan that in order to achieve his goal he needs to have a meeting at the Airport. She wants their concerns heard and remedied. She would like to be at that meeting.

This issue does not have to come back to the Commission. She asked Mr. Sloan to put his comments in writing.

Commissioner Ito wanted to know who the principals of the shuttle companies are and asked that it be provided in writing as well.

\* \* \*

#### J. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

#### K. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.



The Airport Commission voted unanimously to go into closed session. The Commission recessed its public meeting at 9:55 AM and began the closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding the settlement of an unlitigated Owner Controlled Insurance Program Builders' Risk claim of The Herrick Corporation in the amount of \$36,097.04.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The public meeting was reconvened at 10:22 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

L. ADJOURNMENT:

There being no further calendared business before the Commission, the meeting adjourned at 10:20 AM.

  
Jean Caramatti  
Commission Secretary



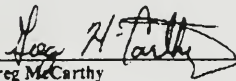
CITY AND COUNTY OF SAN FRANCISCO  
AIRPORT COMMISSION

ADDENDUM NO. 2

October 13, 1999

TO  
AIRPORT CONTRACT 4220  
WEST FIELD ROAD ELECTRICAL IMPROVEMENTS  
AT  
SAN FRANCISCO INTERNATIONAL AIRPORT

Bidder is to attach this change notice to the Project Manual.

  
\_\_\_\_\_  
Greg McCarthy  
Project Engineer

The following changes, additions or deletions as set forth herein shall apply to the Contract Documents and shall be made a part thereof and shall be subject to all of the requirements thereof as though originally shown and/or specified. All other conditions remain unchanged.

October 13, 1999

00900 - 4

SFLA-COM-19NOV96



ATTACHMENTS

1. INTRODUCTORY INFORMATION
  - a. None.
2. BIDDING REQUIREMENTS
  - a. Document 00300 (Bid Form) page 3 and page 4, dated October 13, 1999
3. CONTRACT FORMS
  - a. None.
4. CONDITIONS OF THE CONTRACT
  - a. None.
5. SPECIFICATIONS
  - a. None.
6. DRAWINGS
  - a. None.

CHANGES

1. INTRODUCTORY INFORMATION
  - a. None.
2. BIDDING REQUIREMENTS
  - a. None.
3. CONTRACT FORMS
  - a. Document 00300 (Bid Form) – delete bid items "C26: Concrete Island and Curb" and "C36: Adjust Existing Utility to Grade." Please replace with attached sheets.
4. CONDITIONS OF THE CONTRACT
  - a. None.
5. SPECIFICATIONS
  - a. None.
6. DRAWINGS
  - a. Sheet C4 (New Concrete Island Plan and Detail) – All work associated with the new installation of the new concrete island found on sheet C4 and described in the specifications is deleted from this contract and should not be included in the contractors bid.

END OF ADDENDUM NO. 2

October 13, 1999

00900 - 5

SFIA-COM-19NOV96





15  
2  
7/99

# SAN FRANCISCO AIRPORT COMMISSION



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## MINUTES

December 7, 1999

9:00 A.M.

ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

WILLIE L. BROWN, JR., MAYOR

## COMMISSIONERS

HENRY E. BERMAN  
President

LARRY MAZZOLA  
Vice President

MICHAEL S. STRUNSKY

LINDA S. CRAYTON

CARYL ITO

JOHN L. MARTIN  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



Minutes of the Airport Commission Meeting of  
December 7, 1999

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
		Regular meeting of November 21, 1999	99-0415	4
D.		ANNOUNCEMENT BY SECRETARY		5
E.		ITEMS INITIATED BY COMMISSIONERS:		5
F.		ITEMS RELATING TO MASTER PLAN PROJECTS:		
	1.	Modification No. 9 to Contract 5520E - Boarding Area G General Building Construction - Tutor- Saliba/Perini/Buckley	99-0416	5-6
	2.	Modification No. 18 to Contract 5500E - International Terminal General Construction - Tutor-Saliba/Perini/Buckley	99-0417	6-7
	3.	Modifications to Twelve (12) Existing Construction Management Consultants' Contracts for the Master Plan Program in 2000		7-8
		- Mod. No. 7 - SFO Associates	99-0418	
		- Mod. No. 7 - Lehrer McGovern Bovis/F.E. Jordan/Cabellon Associates	99-0419	
		- Mod. No. 5 - Morse Diesel/Arcost/CPM/ Cornerstone/Lee-Trenchard	99-0420	
		- Mod. No. 5 - PGH Wong Eng/Luster Construction Mgt.	99-0421	
		- Mod. No. 5 - Turner Construction	99-0422	
		- Mod. 4 - Holmes & Narver	99-0423	
		- Mod. No. 5 - DMJM Aviation/Cabellon Assoc/ Mendoza	99-0424	
		- Mod. No. 5 - Brown & Caldwell/Beyaz & Patel	99-0425	
		- Mod. No. 6 - North Cargo CM	99-0426	
		- Mod. No. 7 - Luster/GKO	99-0427	
		- Mod. No. 3 - O'Brien-Kreitzberg	99-0428	
		- Mod. No. 4 - Don Todd Assoc/EPC Consultants/The Allen Group	99-0429	



4.	Modification No. 4 to Contract 5900D - Elevated and Surface Circulation Roadways - Myers/Kulchin-Condon	99-0430	8-9
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G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

5.	Award Contracts for Environmental Consulting Services:		9-10
	- Contract 3606.2A - Brown & Caldwell/Lee	99-0431	
	- Contract 3606.2B - Science Application International Corp/Innovative Technical Solution	99-0432	
	- Contract 3606.2C - AGS/The Ellington Group	99-0433	
6.	Modification No. 1 to Contract 5521A - Boarding Area G Apron Construction - Pavex	99-0434	10

H. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

7.	Bid Call - Contract 5001B - Airport Entry Landscaping	99-0435	11
8.	Award of Contract 4185 - As-Needed Telecommunications Construction/Repairs 1999-00	99-0436	11
9.	Modification No. 9 to Professional Services Agreement - Law Firm of Wulfsberg, Reese, Ferris & Sykes	99-0437	11
10.	Award of Contract to Ilium Associates - Information Mapping System	99-0438	11
11.	Award Contract 4167A - Parking Garage Core G Ventilation Improvement - O'Keefe Mechanical Company	99-0439	11
12.	Reject All Bids - Contract 4220 - West Field Road Electrical Improvements	99-0440	12
13.	Modification No. 1 to Professional Legal Services Agreement - Remy, Thomas & Moose	99-0441	12
14.	Modification No. 3 to Professional Services Agreement - Thomas Parks	99-0442	12



15.	Modification No. 1 to Contract 5500.3 - Design of SFIA Aviation Library, Archive & Museum	99-0443	12
16.	Telecommunications Infrastructure Fees	99-0444	12
17.	Assignment of Ownership of National Car Rental System	99-0445	12-13
I.	PUBLIC HEARING:		
18.	Proposed Addition of Section 1.7.1(J) to the Airport's Rules and Regulations	99-0446	13-14
J.	NEW BUSINESS:		14-15
K.	CORRESPONDENCE:		15
L.	CLOSED SESSION:		
	Potential Litigation		4
M.	ADJOURNMENT: •		15





# AIRPORT COMMISSION MEETING MINUTES

December 7, 1999

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:02 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present:	Hon. Henry E. Berman, President Hon. Michael S. Strunsky Hon. Linda S. Crayton Hon. Caryl Ito
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Absent:	Hon. Larry Mazzola, Vice President
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## L. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Commission voted unanimously to go into closed session.

The Airport Commission will go into closed session in accordance with Government Code Section 54956.9(b)(1) to confer with legal counsel regarding potential litigation.

The public meeting recessed at 9:03 AM and the closed session commenced.

The public meeting was reconvened at 9:28 AM.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of November 16, 1999 were adopted unanimously.

No. 99-0415

\* \* \*



- D. ANNOUNCEMENT BY SECRETARY: In accordance with the Brown Act Jean Caramatti, Commission Secretary announced unanimous adoption of Resolution No. 99-0414 regarding settlement of the unlitigated Owner Controlled Insurance Program Builders' Risk Claim of The Herrick Corporation in the amount of \$36,097.04 at the closed session of November 16, 1999.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

There were no items initiated by Commissioners.

\* \* \*

F. ITEMS RELATING TO MASTER PLAN PROJECTS:

Item Nos. 1 through 4 were adopted unanimously.

1. Modification No. 9 to Contract No. 5520E - Boarding Area G General Building Construction - Tutor-Saliba/Perini/Buckley, A Joint Venture - \$5,112,934

No. 99-0416	Resolution approving Modification No. 9 to Contract 5520E, Boarding Area G General Building Construction with Tutor-Saliba/Perini/ Buckley, A Joint Venture in the amount of \$5,112,934 for tenant utilities extensions in the International Terminal Building, Art Commission work, Airline/Concessions changes, and design revisions to facilitate construction in Boarding Area G. Funding sources are the Airport's Capital Improvement Program budget, transfers from other Master Plan projects, construction contingency, and Program Reserves.
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Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that this modification is an aggregate of negotiated changes covering utility extension work to individual leaseholds in the International Terminal Building, modifications to accommodate artwork, concessions related changes, airline initiated changes and various design changes to facilitate construction.

Funding sources for the changes are the contract's original contingency budget, budget transfers, the Airport's Capital Improvement Program budget, and Program Reserve.

All of the changes have been reviewed and approved by the Master Plan Technical Advisory Board and have been included in our quarterly cost forecasts. This Commission action formalizes those forecasted changes. The aggregate MBE/WBE subcontractor participation goal established for the base contract at 19.2% remains



unchanged for the modified contract.

Commissioner Strunsky noted that 82% is Capital Improvement. It is significant to note that with all of the focus on the Master Plan we are also maintaining, upgrading and running the existing facilities.

Commissioner Ito appreciated that the overall contract will maintain the goals.

2. Modification No. 18 to Contract No. 5500E - International Terminal General Construction - Tutor-Saliba/Perini/Buckley, A Joint Venture - \$4,586,127

No. 99-0417

Resolution approving Modification No. 18 to Contract 5500E, International Terminal General Construction, with Tutor-Saliba/Perini/Buckley, A Joint Venture, in the amount of \$4,586,127 for work related to change impact mitigation, unanticipated conditions, design changes to facilitate construction, transferred scope, and airline requests. Funding sources are current budget, budget transfers, and Program Reserve.

Mr. Kardos explained that this modification is a compilation of negotiated changes comprising scope transfers, concessions related changes, airline-initiated revisions and design changes to facilitate construction.

As detailed in your agenda package, the funding sources are budget transfers from the Airport's Art Enrichment Fund, the Capital Improvement Program budget and Program Reserves.

All of the changes have been reviewed and approved by the Master Plan Technical Advisory Board. The costs have been included in the cost forecasts presented in our quarterly reports to the Commission.

The 10.3% combined MBE/WBE participation goal established for the base contract remains unchanged. The current contract performance of 18.3% MBE and 6.08% WBE considerably exceeds the established goals.

Commissioner Berman asked who audits the contracts.

Mr. Martin responded that the Construction Management firm for the project along with the Airport's Project Manager negotiates with the construction contractors. It is also reviewed by the Airport's Construction Audit Office headed by Ralph Stewart. Once the parties are in agreement, Mr. Kardos takes the requested modifications to the Master Plan Advisory Board headed by Jason Yuen. The approved modification is then brought to him and finally to the Commission.

Commissioner Berman asked Mr. Martin if he is satisfied with the process.

Mr. Martin responded that the Airport has a very extension checks and balances system to make sure that we are not being overcharged for contract modifications.



Commissioner Strunsky said that Mr. Kardos looks carefully at which of these change orders may have been impacted by errors and omissions.

Mr. Kevin William, HRC Senior Contract Compliance Office read from a prepared text (see attached).

Mr. Williams concluded his remarks by asking the Commission to instruct its staff to immediately provide HRC with all relevant contract modification information and detailed descriptions of any unevaluated contracts to be voted upon today. He also asked that the Director not request formal certification of contracts with the City Controller unless and until approval is granted by the HRC Executive Director.

Commissioner Berman asked Mr. Martin if he agreed that the requirements are as Mr. Williams explained them and that they are being adhered to.

Mr. Martin responded that we will be working with Mr. Williams on the process. He added that since before he became Director the Commission and Airport staff have followed a standard practice. When a contract is modified and the goals have been maintained, we do not go back to the HRC for review.

Airport staff is attempting to work with Mr. Williams and the HRC staff to address these concerns and change the historical practice and procedures of the Airport and the City.

Mr. Williams introduced the Compliance staff, Mary Trammel who is responsible for the apprenticeship component of compliance, Gary Wong who is responsible for construction compliance monitoring, Mercy Garchedagy his administrative secretary, and Carolyn Hom who is responsible for architectural, engineering and professional services monitoring.

Commissioner Crayton said that the Commission diligently looks at the modifications based on minority participation. We are trying to increase that participation. Greater controls will be put in place as we move forward so that we can achieve even greater goals.

3. Modifications to Twelve Existing Construction Management Consultants' Contracts for the Master Plan Program in 2000 - \$36,991,000

No. 99-0418  
thru  
No. 99-0429

Resolution approving modifications of twelve existing Construction Management Consultants' contracts to continue services for 2000, in the amount of \$36,991,000.

Funding will come from the Master Plan Baseline Budget, the Airport's contribution to the BART-SFO Extension and the Airport's Capital Improvement Program Budget. There is no impact on the Master Plan Baseline Budget.





<u>Mod. No.</u>	<u>Contractor</u>	<u>Amount</u>
Mod. 7	SFO Assoc. (Parsons/AGS/EPC Consultants/Business Development)	\$ 8,500,000
Mod. 7	Lehrer McGovern Bovis/FE Jordan Assoc./Cabellon Assoc	\$ 980,000
Mod. 5	Morse Diesel/Arcost/CPM/Cornerstone Concilium/Lee-Trenchard	\$ 1,850,000
Mod. 5	PGH Wong Engineering and Luster Construction Management	\$ 6,200,000
Mod. 5	Turner Construction/The Allen Group/CPM Services	\$ 2,100,000
Mod. 4	Holmes & Narver (w/Arcost/CPM Group/FE Jordan Assoc.)	\$ 3,440,000
Mod. 5	DMJM Aviation/Cabellon Assoc./Mendoza Assoc.	\$ 3,840,000
Mod. 5	Brown & Caldwell/Beyaz & Patel	\$ 921,000
Mod. 6	North Cargo CM (AGS, Inc. And Luster CM)	\$ 750,000
Mod. 7	Luster/GKO, a Joint Venture	\$ 7,800,000
Mod. 3	O'Brien-Kreitzberg, Inc.	\$ 250,000
Mod. 4	Don Todd Assoc/EPC Consultants/The Allen Group	<u>\$ 360,000</u>
		\$36,991,000

Mr. Kardos explained that this modification is the annual reauthorization of Construction Management (CM) services for the program management team consisting of Airport staff members and professionals from outside construction management firms. The base contracts for CM services were awarded by the Commission in May 1995, and they have been funded on an annual basis. The M/WBE goals for these contracts were established on a program-wide basis for the duration of the program. We are simply authorizing the funds for the execution of the services on an annual basis.

To maintain the level of resources needed for the final phase of the Master Plan during the coming year we are recommending the modification of twelve existing construction management services contracts in the aggregate amount of \$36,990,000. This compares with \$45,900,000 for 1999, the peak period in the program's implementation, and \$38,800,000 the year before which was the ramping up to the peak.

Funding for the proposed modifications will be provided by the Master Plan Baseline Budget for CM services, the Airport's \$200,000,000 contribution to the BART/SFO extension, the Capital Improvement Program budget and the operating budget. Roughly two-thirds will come from the baseline budget and one-third from non-Master Plan funds.

The proposed funding for 2000 as well as the forecast at completion is within the baseline budget and has been reported to the Commission in our quarterly reports. The overall MBE/WBE participation at the prime level for the 12 contracts is approximately 52%. All consultant teams meet or exceed the City's goals of 17% MBE and 3% WBE for subconsultant participation.

4. Modification No. 4 to Contract No. 5900D - Elevated and Surface Circulation Roadways - Myers/Kulchin-Condon, a Joint Venture - \$2,013,135

No. 99-0430

Resolution approving Modification No. 4 to Contract 5900D, Elevated and Surface Circulation Roadways, with Myers/ Kulchin-Condon, a Joint Venture, in the amount of \$2,013,135 to construct a portion of the



AirTrain Guideway. The funding sources are Contract No. 5700B and Program Reserve.

Mr. Kardos explained that this modification transfers scope from contract No. 5700B, the AirTrain Guideway Construction Contract, and compensates the Elevated Circulation Roadway contractor for impact costs and inefficiencies due to the concurrent and accelerated construction of the Roadway and Guideway structures in the limited space between the South Parking Garage and the new International Terminal Building. There are five contracts interfacing in this area: the roadways, the guideway, the South Garage (including the pedestrian bridge under the guideway connecting the garage with the International Terminal), the International Terminal itself and the Boarding Area A apron contract.

In order to maintain the overall implementation schedule, it was necessary to have one contractor concurrently construct and accelerate roadway and guideway structures.

This modification has been reviewed and approved by the Master Plan Technical Advisory Board. Funding will be provided by a budget transfer from the Guideway contract and Program Reserve.

The base contract's 20% MBE and 9% WBE participation remain unchanged.

\* \* \*

#### G. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 5 and 6 were adopted unanimously.

5. Award Contracts for Environmental Consulting Services - Contract 3606.2A to Brown and Caldwell/Lee, Inc. - \$1,700,000; Contract 3606.2B to Science Application International Corp./Innovative Technical Solution, Inc. - \$1,300,000; Contract 3606.2C to AGS, Inc./The Ellington Group - \$1,000,000

No. 99-0431	Resolution awarding contracts for Environmental
No. 99-0432	Consulting Services: Contract 3606.2A to Brown
No. 99-0433	and Caldwell/Lee, Inc - \$1,700,000; Contract
	3606.2B to Science Application International
	Corp./Innovative Technical Solution, Inc - \$1,300,000;
	and, Contract 3606.2C to AGS, Inc./The Ellington
	Group - \$1,000,000, for a total of \$4,000,000.

Mr. Ernie Eavis, Deputy Director, Facilities Operations and Maintenance explained that the Airport has a continuing need for professional and environmental consulting services for the Master Plan, the Capital Improvement Plan and to keep the Airport compliant with applicable environmental regulations.

Six teams were shortlisted for oral interviews. After rating and price listings were completed three firms were selected for award of three separate environmental contracts. They are Brown and Caldwell/Lee for \$1.7 million, Science Application International/Innovative Technical Solution for \$1.3 million, and AGS/The Ellington



Group for \$1 million.

Each consultant has met the M/WBE subcontracting goals. Funding for these projects will come from the Capital Improvement Plan (75%) and the Master Plan (25%).

Commissioner Strunsky asked if any of these contracts involve runway studies.

Mr. Eavis responded that this is simply the on-going day-to-day environmental consulting service.

Commissioner Ito asked if there were any women of color in the subcontracting category.

Mr. Eavis responded that he would provide that information to the Commission.

Commissioner Crayton was pleased to see the wide range of minorities listed.

6. Modification No. 1 to Contract 5521A - Boarding Area G Apron Construction Pavex Construction - \$860,000

No. 99-0434

Resolution approving Modification No. 1 to Contract 5521A, Boarding Area G Apron Construction with Pavex Construction, A Division of Granite Rock Co., in the amount of \$860,000 for airline tenant utilities extensions in Boarding Area G. Funding source is the Airport's Capital Improvement Program budget. There is no impact on the Master Plan Baseline Budget.

Mr. Kárdos explained that the work performed under this modification covers the extension of building utilities (water, power, HVAC, communications) to the airlines' ramp-level leaseholds in Boarding Area G. It also includes the construction of demising walls and concrete floor slabs within the leaseholds.

The work will be performed by Pavex Construction, the contractor for the apron work of Boarding Area G, on a time-and-material basis and its cost is not-to-exceed \$860,000. Funding will be provided by the Airport's Capital Improvement Program budget with no impact on the Master Plan baseline budget.

The MBE/WBE (10% / 6% respectively) participation established for the base contract remains unchanged.

\* \* \*

H. **CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:**

Item Nos. 7 through 17 were adopted unanimously.



7. Bid Call - Contract No. 5001B - Airport Entry Landscaping - \$3,550,000
- No. 99-0435                      Resolution approving the scope, budget and schedule for Contract 5001B, Airport Entry Landscaping and authorizing the Director to call for bids when ready.
- The construction budget for this work is \$3,550,000. Funds for this project are from budget transfers from Master Plan projects and the Airport's Capital Improvement Program funds. There is no impact on the Master Plan Baseline Budget.
8. Award of Contract No. 4185R - As Needed Telecommunications Construction/Repairs 1999-2000 - Barri Electric Company, Inc. - \$472,750
- No. 99-0436                      Resolution awarding Contract 185R, As-Needed Telecommunications Construction/Repairs 1999-2000 to the lowest responsive, responsible bidder, Barri Electric Company, Inc., in the amount of \$472,750.
9. Modification No. 9 to Professional Services Agreement - Law Firm of Wulfsberg, Reese, Ferris & Sykes - \$300,000
- No. 99-0437                      Resolution approving Modification No. 9 to Professional Legal Services Agreement with the firm of Wulfsberg, Reese, Ferris & Sykes (formerly known as Lempres & Wulfsberg) to increase compensation by the amount of \$300,000, all other terms and conditions to remain in full force and effect.
10. Award the Information Mapping System Contract to Ilium Associates, Inc. - \$175,000
- No. 99-0438                      Resolution awarding a contract for the design of a New Information Mapping System and related terminal signage to Ilium Associates, Inc. in an amount not to exceed \$175,000.
11. Award Contract 4167A - Parking Garage Core G Ventilation Improvement O'Keefe Mechanical Company, Inc. - \$82,000
- No. 99-0439                      Resolution awarding Contract 4167A, Parking Garage Core G Ventilation Improvement, to the only responsive, responsible bidder, O'Keefe Mechanical Co., Inc. in the amount of \$82,000.





12. Reject All Bids - Contract 4220 - West Field Road Electrical Improvements - \$403,250
- No. 99-0440                      Resolution rejecting all bids for Contract 4220, West Field Road Electrical Improvements and authorizing the Director to rebid the contract when ready. The construction budget including contingency for this project is \$403,250.
13. Modification No. 1 to Professional Legal Services Agreement - Remy, Thomas & Moose - \$100,000
- No. 99-0441                      Resolution approving Modification No. 1 to Professional Legal Services Agreement with Remy, Thomas & Moose to increase compensation by the amount of \$100,000, all other terms and conditions of the contract to remain in full force and effect.
14. Modification No. 3 to Professional Services - Thomas Parks - \$100,000
- No. 99-0442                      Resolution approving Modification No. 3 to Professional Services Contract with Thomas Parks as the Airport's Liaison to Peninsula cities on Airport/Community Roundtable issues to increase the dollar amount by \$100,000, for a total amount not to exceed \$230,000.
15. Modification No. 1 to Contract No. 5500.3 - Design of SFIA Aviation Library, Archive and Museum - Fong & Chan Architects - \$50,000
- No. 99-0443                      Resolution approving Modification No. 1 to Contract 5500.3, Design of SFIA Aviation Library, Archive and Museum, with Fong & Chan Architects in the amount of \$50,000, for design work related to utility relocations and scope changes.
16. Telecommunications Infrastructure Fees
- No. 99-0444                      Resolution establishing the fee schedule for use of the Telecommunications Infrastructure.
17. Assignment of Ownership of National Car Rental System, Inc.
- No. 99-0445                      Resolution approving the assignment of ownership of National Car Rental System, Inc. from AutoNation,



## I. PUBLIC HEARING

The public hearing was convened at 10:06 AM and concluded at 10:15 AM, there being no further comments from the public. Item No. 18 was adopted unanimously.

### 18. Proposed Addition of Section 1.7.1(J) to the Airport's Rules and Regulations

No. 99-0446

Hearing and resolution approving the proposed addition of Section 1.7.1(J) to the Airport's Rules and Regulations establishing a Quality Standards Program for Airline Service Providers.

Mr. Martin explained that the Commission's highest goal is always safety and security. He believes that this program will further enhance that goal as well as support existing FAA programs toward safety and security.

In developing the Quality Standards Program for the airline service providers he worked to obtain input from the airlines, San Mateo and San Francisco labor leaders. He especially sought input from Shelley Kessler and the FAA. He will continue to obtain input from these sources and will continue to refine these standards to make them work better for the industry and all affected parties.

Mr. Bob Rhoades, Deputy Director, Business, explained that there are currently a number of vendors who operate at the Airport who provide services that have a potential to impact or actually impact the Airport's safety and security programs. These service providers load and unload aircraft, clean cabins, fuel, provide commissary deliveries and security screening in the terminal complex and the perimeter.

The program is designed to focus on four areas that he believes will enhance our security and safety program ... that includes hiring practices, training, maintenance of equipment and minimum compensation. These standards will help improve the airfield operations and the workforce stability.

If adopted the Airport staff will go through a certification process with these companies which will culminate in the issuance of an operating permit.

The regulations being proposed to the Commission serve to enhance the existing FAA regulations, particularly FAR 108 which deals with security measures. If adopted, implementation is scheduled for April 1, 2000.

Commissioner Berman read a list of names of individuals who requested to speak and asked if they would be willing to relinquish their time to Ms. Kessler. They are Karl Kramer, Ken Jacobs, Ruperto Rillera, Sr., Mark Gleason, Robert Boileau and Kent Gordon. Everyone but Mr. Boileau consented to giving up time to Ms. Kessler

Ms. Shelley Kessler, Executive Secretary Treasurer of the San Mateo Labor Council



thanked the Commission, Mayor Brown, Airport staff and Director Martin for the hard work it took to make this a reality. The labor community is thrilled to have as allies those who share the goals and efforts of creating fair wages and working conditions.

The Airport is making a critical first step in setting standards for all employees who work on the Airport and provide services at every level.

Although there are a few details yet to be worked out regarding implementation of the permit procedure, the labor community feels secure that with John Martin and staff attorney Carl Bunch they can address their concerns and collaboratively resolve any of these outstanding issues.

SFO is a leading example of a well run airport generating international esteem and commendation. It is fitting that the employees share in the success generated by this world class facility. This effort is a human investment with many humane returns.

She praised Mayor Brown, the members of the Commission and especially John Martin for taking the high road in setting standards for those who do the work and upon whom we all depend. She thanked them for joining in the advocacy of human decency.

Mr. Robert Boileau, Vice President of the San Francisco Labor Council thanked and praised the Commission and Mr. Martin for the job they have done toward establishing minimum standards for ramp and security personnel. He thanked them for listening to labors concerns regarding requirements for decent living and safe workplace standards for this group of workers.

Mr. Walter Johnson, Secretary-Treasurer of the San Francisco Labor Council asked him to say that "we must realize that this is just the beginning and we from labor, along with the Airport have more work to do to bring meaning to the word 'equality'".

He gave special recognition to Mayor Brown's role in this effort.

He looks forward to working with the Airport Commission and staff on the rest of this project.

Commissioner Ito thanked Mr. Martin and staff for working out a reasonable first step in providing increased safety and security and workforce stability.

Mr. Martin said that this is a significant step. It shows that the Airport Commission is once again being very aggressive and proactive on safety and security. It will go a long way in improving the retention of key personnel at the Airport who are responsible for safety and security.

Commissioner Crayton said that this is a win win for everyone.

\* \* \*

#### J. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside



the entrance to Room 400 and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*

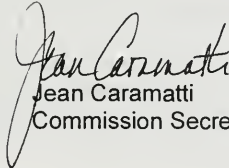
K. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

M. ADJOURNMENT:

There being no further calendared business before the Commission the meeting adjourned at 10:17 AM.

  
Jean Caramatti  
Commission Secretary






Willie Lewis Brown, Jr.  
Mayor

Marivic S. Bamba  
Executive Director

INTEROFFICE MEMORANDUM

DATE: DECEMBER 7, 1999

TO: AIRPORT COMMISSION

FROM: KEVIN WILLIAMS,   
SR. CONTRACT COMPLIANCE OFFICER

CC: HON. LESLIE LITTLETON, CHAIR HRC  
M/WBE ADVISORY COMMITTEE  
MARIVIC BAMBA, HRC EXECUTIVE DIRECTOR  
JONNIE ROBINSON,  
SPECIAL ASSISTANT TO MAYOR BROWN  
JOHN MARTIN, AIRPORT DIRECTOR  
SANDRA CRUMPLER, MANAGER AMWO

SUBJECT: **CONTRACT MODIFICATIONS  
REQUIRE HRC APPROVAL**

Again, I am obligated to inform the Airport Commissioner's that some 29 contracts of which 22 are contract modifications are before you totaling \$50 million dollars appear not to have been submitted for HRC review and approval. Administrative Code 12D, Subsections A (14) (15), "Powers and Duties of Contract Awarding Authorities" further defines this procedure under Section II of the Implementing Rules and Regulations and clearly require *prior approval* of contract modifications as follows:

**Procedures for Approval of Contract Modifications**

- A. All contract amendments, modifications, supplements and/or change orders that cumulatively increase by more than 20% the dollar value of all contracts originally valued at \$50,000 or more shall be subject to prior approval of the Director. The Director shall review the proposed amendments, modifications, supplements and/or change order to correct contracting practices that exclude women or minorities from new contracting opportunities. The department must submit:
1. copies of contract amendments, modifications, supplements, and/or change orders; and
  2. a spreadsheet with a breakdown of the list of contractors and subcontractors working on the change order with the contract dollar for each individual firm(s).





3. Upon receipt of all the required documents, the director shall provide the requesting department his or her determination regarding the proposed amendments, modification, supplements or change orders within 2 business days of HRC's receipt of the request. If the Director fails to respond to the request within the specified time frame, the request shall be deemed approved.

Due to non-submission of the information the HRC has been permitted limited review of only seven contracts which by contrast to others have nominal dollar values from \$50,000 to \$1.7 million dollars. You will recall that I appeared before this Commission on September 21 and requested your assistance at insuring that the Airport management submits the modifications and other unevaluated contracts to the HRC for approval.

In addition, there are significant implications for employment and training opportunities for minorities and women, related to either new or ongoing MBE/WBE prime contract and subcontract award opportunities. The latter underscores the importance of monitoring such contract modifications.

Therefore, it is imperative that the law is followed. HRC at all times must be able to determine to the maximum extent feasible the degree to which disadvantaged minorities and women are participating in the contracts. Notwithstanding, central to HRC's monitoring function is to insure that certified MBE/WBE contract participants continue to perform a "commercially useful function" on airport contracts throughout the duration of its projects.

In order to achieve these objectives future contract modifications must be approved in conformity with Administrative Code Chapter 12D.A.9, inclusive of Section II of the Implementing Rules and Regulations.

Procedurally, and only as a last resort the Human Rights Commission is authorized to instruct the Controller not to certify the award of the contract modifications pursuant to Administrative Code 12D.A.7 (B). In the coming weeks the HRC is also scheduled to publish and release its Annual Report to the Mayor, Board of Supervisors, and the general public denoting the problems and barriers to compliance monitoring as well.

However, HRC has received a proposal from Ms. Sandra Crumpler yesterday afternoon of an internal process, which we are hopeful may bring HRC into the "loop" much earlier in the process. Airport General Counsel Mara Rosales also contacted me late afternoon and we conferred on the complex interpretations of the law pertaining to contract modification language and we each concurred that an internal process is urgently needed.

The HRC respectfully requests that the Commission ask for periodic reports from Airport Management in this open forum with compliance staff input in the contract review phases, inclusive of all contracts, which equal or exceed \$50,000 in dollar value.

Toward that end, we strongly reaffirm our need for the assistance and cooperation of the Commission.



# SAN FRANCISCO AIRPORT COMMISSION



## MINUTES

December 21, 1999  
9:00 A.M.

✈ ROOM 400 - CITY HALL  
400 VAN NESS AVENUE  
CITY AND COUNTY OF SAN FRANCISCO

**WILLIE L. BROWN, JR., MAYOR**

## COMMISSIONERS

**HENRY E. BERMAN**  
President

**LARRY MAZZOLA**  
Vice President

**MICHAEL S. STRUNSKY**  
**LINDA S. CRAYTON**  
**CARYL ITO**

DOCUMENTS DEPT.

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**JOHN L. MARTIN**  
Airport Director

SAN FRANCISCO INTERNATIONAL AIRPORT  
SAN FRANCISCO, CALIFORNIA 94128



Minutes of the Airport Commission Meeting of  
December 21, 1999

CALENDAR SECTION	AGENDA ITEM	TITLE	RESOLUTION NUMBER	PAGE
A.		CALL TO ORDER:		4
B.		ROLL CALL:		4
C.		ADOPTION OF MINUTES:		
		Regular meeting of December 7, 1999	99-0447	4
D.		SPECIAL ITEM:		
	1.	Retirement Resolution - Adolf Basler	99-0448	5
E.		ITEMS INITIATED BY COMMISSIONERS:		
		Y2K Planning		5
F.		ITEMS RELATING TO ADMINISTRATION OPERATIONS & MAINTENANCE:		
	2.	Award Foreign Currency Exchange Lease - Travelex America, Inc.	99-0449	5-6
	3.	Award North Terminal Hub Principal Retail Concession Lease	99-0450	6-7
	4.	Modification No. 1 to Contract 4240 - Environmental Impact Studies for the Runway Reconfiguration Program - URS Geiner Woodward Clyde	99-0451	7-8
	5.	Approve Funding for New International Terminal Tenant Utilities and Infrastructure Work	99-0452	8-9
	6.	Reimbursement for Common Storefront Concept In New International Terminal and for Additional Landlord Infrastructure Improvements Along East Wall of the New International Terminal Building	99-0453	9-10
	7.	Supplemental Appropriation of Interest Income - Airport Revenue Bond	99-0454	10
	8.	Amendments to Ground Transportation Trip Fee Structure	99-0455	10 13-23
G.		CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:		





9.	Modification No. 5 to Contract 5709.1 - AirTrain Road 6 and Rental Car Center Stations - Murokami Associates	99-0456	10-11
10.	Award Contract 3851A - International Terminal 3rd Floor HVAC Renovation - Resource and Design, Inc.		11
11.	Award Contract 4184R - As-needed Electrical Construction/Repairs 1999-00 - Barri Electric Company, Inc.	99-0457	11
12.	Award Two New International Terminal Automated Teller Machine Leases - Travelex America, Inc.	99-0458	11
13.	Authorization to Issue Request for Qualifications for San Mateo County Public Informational Services for Runway Reconfiguration Program - \$120,000	99-0459	12
14.	Modification No. 1 to Professional Service Contract - Provide Technical Assistance on FAA and Aircraft Noise Abatement Issues - Robert H. Voss	99-0460	12
15.	Modification No. 1 to Professional Service Contract with Edward J. Daley as the Airport's Liaison to the Airport Roundtable	99-0461	12
16.	Letter Agreement with Metropolitan Transportation Transportation Commission (MTC) for Phase II Regional Airport System Plan Update	99-0462	12
17.	Authorization to Issue a Request for Proposals for Firms to Perform FAA Required Background Investigations of Potential Airport Employees	99-0463	12-13
18.	Authorization to Accept Proposals for the New International Terminal Hair Salon Lease	99-0464	13
19.	Amendment to Fine Dining Restaurant Lease in New International Terminal - GOC Holding, Inc.	99-0465	13
20.	Assignment of Willow Woodfired Pizza Lease - Miguel Romero, A Sole Proprietorship to Bayport Concessions, LLC	99-0466	13
H.	NEW BUSINESS:		23
I.	CORRESPONDENCE:		24
J.	CLOSED SESSION:		



K.

ADJOURNMENT:

24



# AIRPORT COMMISSION MEETING MINUTES

December 21, 1999

## A. CALL TO ORDER:

The regular meeting of the Airport Commission was called to order at 9:00 AM in Room 400, City Hall, San Francisco, CA.

\* \* \*

## B. ROLL CALL:

Present: Hon. Henry E. Berman, President  
Hon. Larry Mazzola, Vice President  
Hon. Michael S. Strunsky  
Hon. Linda S. Crayton  
Hon. Caryl Ito

\* \* \*

## L. CLOSED SESSION:

Discussion and vote pursuant to Sunshine Ordinance Section 67.11 on whether to conduct a Closed Session.

The Airport Commission voted unanimously to go into closed session. The Commission recessed its public meeting at 9:33 AM and began the closed session.

Discussion and vote pursuant to Brown Act Section 54957.1 and Sunshine Ordinance Section 67.14 on whether to disclose action taken or discussions held in Closed Session.

The public meeting was reconvened at 9:53 AM. The Commission determined that it was not in the public interest to disclose the nature of the closed session and voted unanimously not to disclose it.

\* \* \*

## C. ADOPTION OF MINUTES:

The minutes of the regular meeting of December 7, 1999 were adopted unanimously.

No. 99-0447

\* \* \*

## D. SPECIAL ITEM:

Item No. 1 was adopted unanimously.



1. Retirement Resolution - Adolf Basler

No. 99-0448

Mr. John Martin, Airport Director, said that Mr. Basler has been a carpenter at the Airport for 13 years. Mr. Basler is an extraordinarily skilled carpenter and a valued employee who actively promoted good will among other employees. He will be missed.

\* \* \*

E. ITEMS INITIATED BY COMMISSIONERS:

Commissioner Ito asked Mr. Martin to summarize Y2K plans.

Mr. Martin responded that our Y2K program has been underway for the last year. Key Senior staff members will be on New Year's Eve.

Ms. Theresa Lee, Deputy Director, Administration explained that we have been in communication with the FAA and the airlines to begin tracking in the morning on December 31. We will also track the City's Y2K program.

This is being addressed as an emergency preparedness operation, with key personnel positioned in our Emergency Operations Center. There will be on-going reporting throughout the day.

Commissioner Crayton asked which ITT professionals will be on hand.

Ms. Lee responded that personnel responsible for their respective systems will be on site and ready to implement contingency plans if needed.

\* \* \*

F. ITEMS RELATING TO ADMINISTRATION, OPERATIONS & MAINTENANCE:

Item Nos. 2 through 8 were adopted unanimously.

2. Award Foreign Currency Exchange Lease - Travelex America, Inc. - Minimum Annual Guarantee: \$4,127,500

No. 99-0449 Resolution awarding the Foreign Currency Exchange Lease to Travelex America, Inc. with the initial Minimum Annual Guarantee of \$4,127,500.

Mr. Bob Rhoades, Deputy Director for Business explained that this item seeks approval to award the Foreign Currency Exchange Lease to Travelex America.

This lease is for a five year term with a minimum acceptable bid of \$3 million.

Three bids were opened on December 17, 1999. American Express tendered a

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non-responsive bid of \$1 million. ICE Currency Services USA tendered a bid of \$3,251,878. Travelex tendered a bid of \$4,127,500.

Travelex American is a London-based company with US headquarters in Garden City, New York. They currently have 120 contracts and 300 branches world-wide, and 38 foreign currency exchange locations in North America. They have foreign exchange services at Heathrow, Frankfurt, Charles DeGaulle, JFK, Boston and Brussels.

In 1998 they exchanged over \$3.5 billion in currency.

Travelex is in the process of finishing its certification under the Equal Benefits Ordinance. They have two minor items yet to complete before compliance. Award is requested to Travelex pending compliance.

3. Award of the North Terminal Hub Principal Retail Concession Lease - Host International Inc. - \$2,550,000

No. 99-0450	Resolution awarding the North Terminal Hub Principal Retail Concession Lease to Host International, Inc., with a first year Minimum Annual Guarantee of \$2,550,000 approving I-5 Concessions, LLC and Sunshade Holding Corporation dba Sun Shade Optique as its subtenants, and directing the Commission Secretary to seek approval from the Board of Supervisors.
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Mr. Rhoades explained that this lease consists of two facilities comprised of 4,984 sq. ft. of retail space. The tenant is required to sublet at least 30% of the total square footage of the premises to DBEs.

The minimum acceptable bid was \$1 million. The term is for five years.

On October 27, 1999 staff received submittals from Host International, Inc. and Pacific Gateway Concessions, LLC. A three member panel reviewed the submittals and concluded that both companies and their sub tenants met the minimum qualifications.

On November 23, 1999 the bids were opened. Pacific Gateway Concessions tendered a bid of \$1,408,999.99 and Host International submitted a bid of \$2,550,000.

Host, being the highest responsive bidder, submitted a subleasing plan for two different DBEs, I-5 Concessions, LLC, an African-American firm, and Sunshades LLC, an Asian firm.

Commissioner Strunsky asked if these two subs will occupy the entire space.

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Mr. Rhoades responded that the subs will occupy space in the main facility of the Hub of Boarding Area F. It will be sub-divided with each subtenant having its own space within the larger facility. The two subtenants will occupy 30% of the 4,984 sq. ft. The second space is currently under construction as part of the Hub expansion and will be added to the lease when completed next year.

4. Modification No. 1 to Contract No. 4240 - Environmental Impact Studies for the Runway Reconfiguration Program - URS Greiner Woodward Clyde - \$5,200,000

No. 99-0451

Resolution approving Modification No. 1 to Contract 4240, Environmental Impact Studies for the Runway Reconfiguration Program, with URS Greiner Woodward Clyde in an amount not to exceed \$5,200,000 for Phase II Technical Analyses, preparation of the Draft Environmental Impact Statement and Environmental Impact Report, and preliminary assessment of potential mitigation sites. The modified contract amount would be \$6,300,000.

Ms. Peg Divine, Deputy Director, Airfield Development explained that the work being done by URS Greiner is on behalf of the FAA and the San Francisco Office of Environmental Review.

Phase II will include numerous environmental impact studies for fish, birds, noise, air pollution, cultural resources, as well as preparation of the draft EIS and EIR and preliminary assessments of potential mitigation sites.

This modification will include the Phase II scope of work and to allow staff to negotiate Phase III at the appropriate time.

Commissioner Strunsky said that this contract runs until December 31, 2001, bringing Phase II to an end. Phase III would then begin with writing of the EIR.

Ms. Divine responded that it is hard to predict just how much work will have to be done with the comments and responses after the EIR and EIS have been published. It is also hard to predict if any litigation will result.

Phase III scope will be dependent upon the need to do additional studies.

Commissioner Strunsky said that Phase III includes preparation of the final EIS and EIR.

Mr. Martin explained that Phase III may well be completed in the same period as Phase II. December 31, 2001 is an outside date. We expect work on Phase II to be completed well before this date.

Ms. Divine explained that the final EIR actually consists of the draft EIR in addition to public comments and our responses.

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Commissioner Strunsky asked when we will be able to relieve the runway problems.

Ms. Divine responded that we can look to runway completion in eight or nine years.

Commissioner Strunsky hoped that staff will look at every option to shorten the time frame.

Mr. Martin responded that staff is taking every possible step to reduce the time frame.

5. Approval of Funding for the New International Terminal Tenant Utilities and Infrastructure Work - Not-to-Exceed \$53,600,000

No. 99-0452

As the International Terminal base building approaches substantial completion, funds will be needed to prepare space for tenant occupancy, including utility infrastructure extensions and architectural modifications. To address these problems in an expedited manner, it will be necessary for the Airport and/or the tenants to undertake the work. The resolution approves funding of the New International Terminal Tenant Utilities and Infrastructure Work at a budget not-to-exceed \$53,600,000 and authorizes the Director to fund \$6,700,000 from the Tenant Utilities and Infrastructure budget to accommodate Airport funded work in tenant exclusive spaces.

Mr. Tom Kardos, Deputy Director, Bureau of Design and Construction explained that once the business plan for the new International Terminal Complex was finalized and the exclusive lease spaces were defined, the infrastructure work supporting the tenants' operations had to be designed and installed.

The work includes utility extensions, relocation of base building infrastructure and various code compliance related work accommodating the tenant designs. The work will be carried out either as part of the tenants' improvement work or within existing contracts on a task order basis, whichever is the most expedient for meeting the program completion schedule.

This agenda item requests your approval of a \$53.6 million not-to-exceed budget allocation, and within that budget a \$6.7 million spending authorization for on-going tenant infrastructure work. Funding will be by the Airport's Capital Improvement Program funds.

The MBE/WBE participation for the individual tasks will be in line with the goals set for the particular contract executing the work.

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Commissioner Strunsky assumed that this is a budget allocation, not a contract award.

Mr. Kardos said that it is.

Commissioner Crayton asked if all of the contracts have been awarded.

Mr. Kardos responded that this is a budget allocation for a plethora of work across the entire international complex. As we authorize the individual tasks, specific spaces are being prepared for final tenant improvement work. The work will be authorized either under a tenant improvement, or, if there is a base building conflict or base building interface that is complex and may impact the building's completion schedule, we may opt to authorize a change order to the base building contract. This is a mixture of various contracting vehicles.

Commissioner Ito asked if the amount includes any possible increases because of delays we might face.

Mr. Kardos responded that the amount reflects development of the space independent of the delays.

6. Reimbursement for the Common Storefront Concept in the New International Terminal and for the Additional Landlord Infrastructure Improvements along the East Wall of the New International Terminal Building - Not-to-exceed \$10,500,000

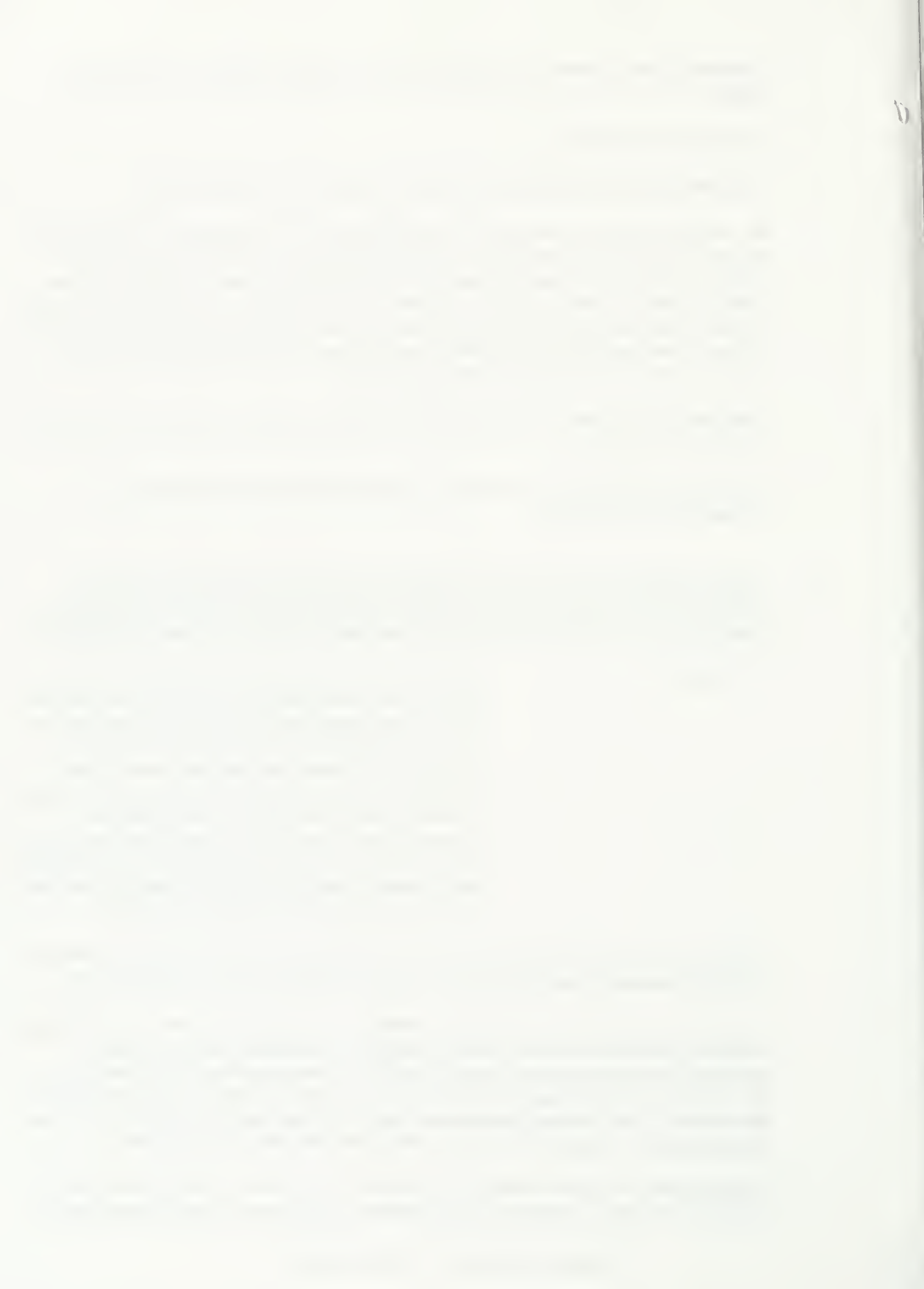
No. 99-0453

Resolution authorizing reimbursements in an amount not to exceed \$10,500,000 to all retail and food and beverage tenants for design, construction, and implementation of the common Storefront Concept in the New International Terminal and authorizing additional reimbursements in an amount not to exceed \$1,000,000 to four tenants for constructing the Fascia/Bulkhead, Secondary Atrium roof framing, Dust Cap and Maintenance Cat Walk for an existing building condition along the east wall of the New International Terminal Building.

Mr. Rhoades explained that this item follows the previous item which is an allocation or reimbursement to tenants for certain work that will be done in tenant spaces.

In principle, the Airport, in its desire to maintain the aesthetics of the new building as well as to establish a control zone, is going to have tenants install an Airport approved storefront system. Because this is so integral to the tenant interior completion, the tenants will perform the work on behalf of the Airport in return for a rental credit. This reduces the tenants need for capital outlay so that they can now concentrate on upscale materials and design for the interior of the stores.

We believe that we have realized significantly larger bids as a result of the Airport now taking on responsibility for the storefronts. Bids for the retail locations in the





new International Terminal came in at 67% over the minimum acceptable bids.

There are four locations where work needs to be done in order for the tenants to complete their improvements. They are the Fine Dining facility, the Museum of Modern Art, the Discovery Channel and Esprit locations, all of which are on the back wall.

Commissioner Crayton asked about the M/WBE.

Mr. Rhoades responded that the four locations require M/WBE guidelines as well as prevailing wage. Individual tenants are bidding out their contracts as any tenant would do. Best effort M/WBE goals are in all of these contracts.

7. Supplemental Appropriation of Interest Income - Airport Revenue Bond - \$55,126,710

No. 99-0454

Resolution requesting supplemental appropriation of \$55,126,710 in interest income earned on Airport Revenue Bond proceeds in FY 1998/99.

Mr. Marcus Perro, Deputy Director, Finance explained that this is a routine yearly item to appropriate interest income that is held by the City Treasurer's Office and invested on our behalf for use on approved Capital Projects. This year we earned about \$55 million in interest on bond proceeds on deposit. We are requesting approval to use that money to fund on-going capital projects already approved by the Commission.

Commissioner Strunsky noted that the interest income for this year has paid for all of the tenant utility installation approved at this meeting.

Item No. 8 was put over to the end of the meeting.

8. Amendments to the Ground Transportation Trip Fee Structure

Resolution approving the Proposed Amendments to the Ground Transportation Trip Fee Structure.

\* \* \*

G. CONSENT CALENDAR OF ROUTINE ADMINISTRATIVE MATTERS:

Item No. 10 was removed from the calendar. Item Nos. 9 and 11 through 20 were adopted unanimously.

9. Modification No. 5 to Contract No. 5709.1 - AirTrain Road 6 and Rental Car Center Stations - Murokami Associates - \$415,000

No. 99-0456

Resolution approving an increase to basic



Professional Services fees in the amount of \$415,000 to provide Architectural and Engineering Services and As-Needed Plan Checking Services. Funding for the services will be provided from the project budget and from the Airport's Capital Improvement Program (CIP) Budget, with no impact on the Master Plan Baseline Budget.

10. Award of Contract No. 3851A - International Terminal 3rd Floor HVAC Renovation Resource and Design, Inc. - \$983,200

Resolution awarding Contract No. 3851A, International Terminal 3rd Floor HVAC Renovation, to Resource and Design, Inc. in the amount of \$983,200.

11. Award of Contract No. 4184R - As Needed Electrical Construction/Repairs 1999-2000 - Barri Electric Company, Inc. - \$470,950

No. 99-0457

Resolution awarding Contract 4184R, As Needed Electrical Construction/Repairs 1999-00, to the second lowest responsive, responsible bidder, Barri Electric Company, Inc., in the amount of \$470,950.

12. Award of the Two New International Terminal Automated Teller Machine Leases Travelex America, Inc. - \$240,500

No. 99-0458

Resolution awarding two Automated Teller Machine Leases for the New International Terminal to Travelex America, Inc. at \$240,500 for each Lease.

Commissioner Crayton asked if this is in addition to ATM machines already in place.

Mr. Rhoades responded that these ATMs will be in the new International Terminal. Travelex American, Inc. was the sole bidder for this opportunity.

The Wells Fargo and Bank of America leases will continue in their current locations.

Commissioner Strunsky asked if this lease will also be contingent upon compliance with the Equal Benefits Ordinance as in the other lease awarded this morning.

Mr. Rhoades responded that it will be. Two letters must still be tendered by their insurance company.

Commissioner Crayton asked if they will be charging an ATM fee.

Mr. Rhoades responded that he believed that they will.



13. Authorization to Issue a Request for Qualifications for San Mateo County Public Information Services the Runway Reconfiguration Program - \$120,000

No. 99-0459

Resolution authorizing staff to issue a Request for Qualifications for Public Information Services within San Mateo County for the Runway Reconfiguration Program in an amount not to exceed \$120,000 annually for the first year.

14. Modification No. 1 to the Professional Services Contract to Provide Technical Assistance on FAA and Aircraft Noise Abatement Issues - Robert H. Voss - \$50,000

No. 99-0460

Resolution authorizing Modification No. 1 to the Professional Service Contract with Robert H. Voss to Provide Technical Assistance on FAA and Aircraft Noise Abatement Issues, by increasing the amount by \$50,000 for a total amount not to exceed \$80,000.

15. Modification No. 1 to Professional Services Contract with Edward J. Daley as the Airport's Liaison to the Airport Roundtable - \$50,000

No. 99-0461

Resolution approving Modification No. 1 to Professional Services Contract with Edward J. Daley as the Airport Liaison to the Airport Roundtable, in the amount of \$50,000.

16. Letter Agreement with the Metropolitan Transportation Commission (MTC) for Phase II Regional Airport System Plan Update - \$218,000

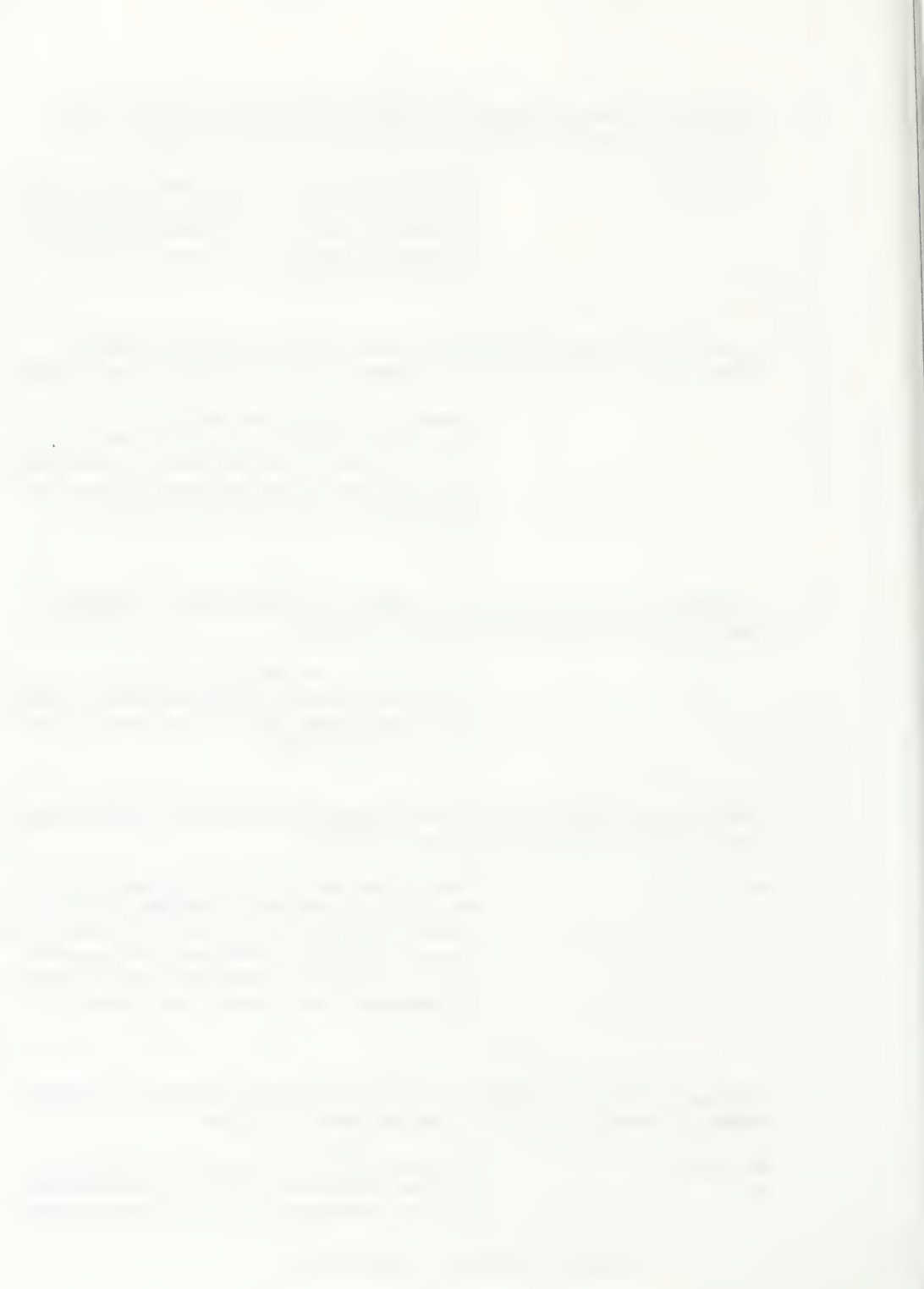
No. 99-0462

Resolution approving the Letter Agreement with Metropolitan Transportation Commission (MTC) for Phase II Regional Airport System Plan Update in the amount of \$218,000. The Phase II work prepared by MTC consultants is essential to the timely review and approval of the Runway Reconfiguration Program.

17. Authorization to Issue a Request for Proposals for Firms to Perform FAA Required Background Investigations of Potential New Airport Employees

No. 99-0463

Resolution authorizing issuance of a Request for Proposals to contract with firm(s) to perform Federal Aviation Administration (FAA) required background



investigations of potential new airport employees.

18. Authorization to Accept Proposals for the New International Terminal Hair Salon Lease

No. 99-0464

Resolution approving the lease specifications for the New International Terminal Hair Salon Lease and authorizing staff to accept proposals.

Commissioner Crayton asked if the lease specifications were speaking to the terms and not the type of people being sought for this opportunity.

Mr. Rhoades responded that this item authorizes accepting proposals for this lease.

19. Amendment to The Fine Dining Restaurant Lease in the New International Terminal with GOC Holdings, Inc.

No. 99-0465

Resolution approving the amendment to extend the term to the Fine Dining Restaurant Lease with GOC Holdings, Inc. (Qi) in the New International Terminal.

Commissioner Ito noted that this is the second modification for Qi and asked if they on their way now?

Mr. Rhoades responded that he believed so. This was a financial vehicle that we were unaware of previously. It could lend significant assistance in the future.

The other issue that was resolved the other day was whether the facility could have a smoking area. Because of the code requirements and the difficulty involved, the issue was put aside.

20. Assignment of Willow Street Woodfired Pizza Lease - Miguel Romero, A Sole Proprietorship to Bayport Concessions, LLC

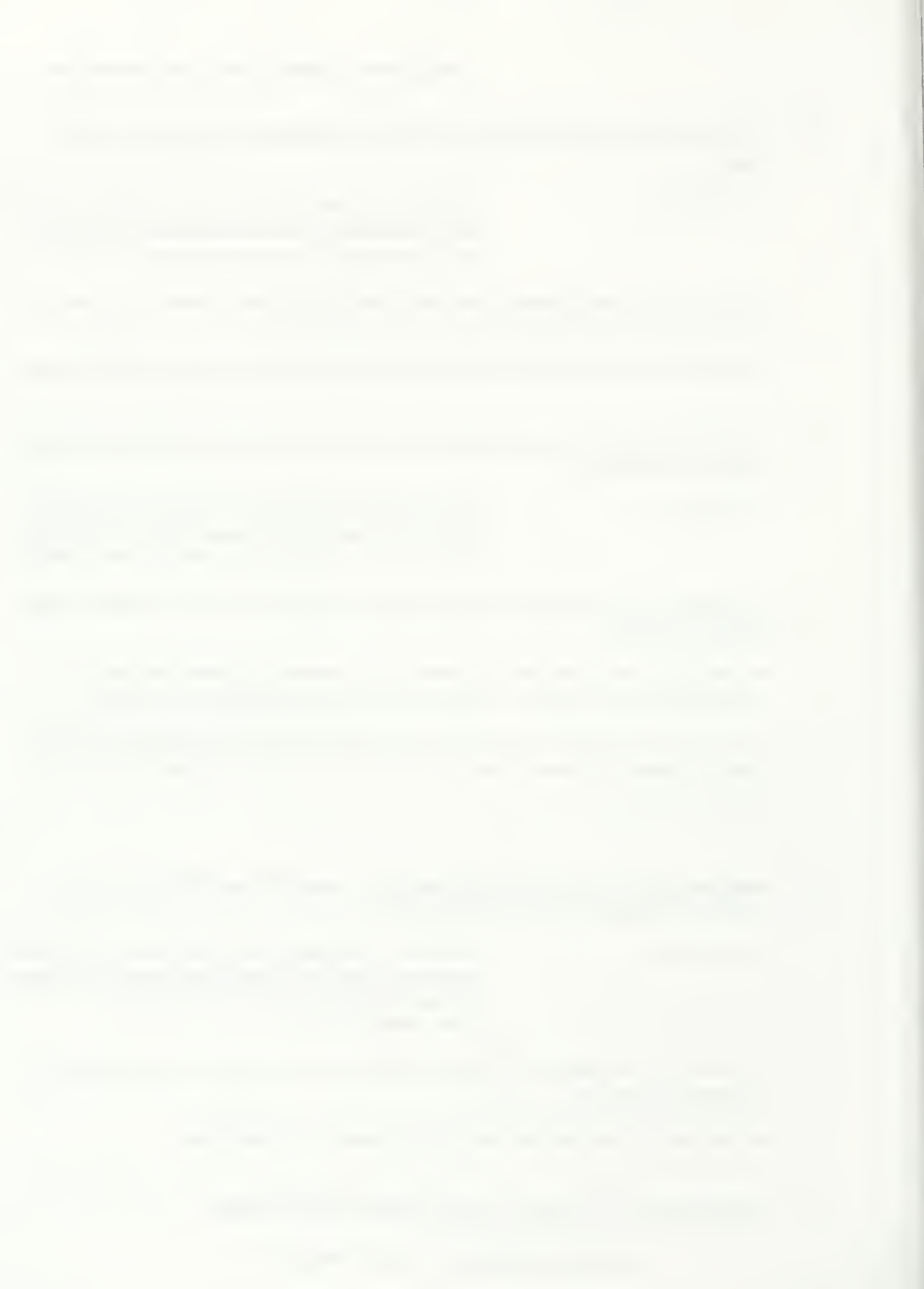
No. 99-0466

Resolution approving the consent to the assignment of Willow Street Woodfired Pizza Lease from Miguel Romero, a sole Proprietorship to Bayport Concessions, LLC.

Commissioner Ito asked if Mr. Romero had another business in another airport or out in the community.

Mr. Rhoades responded that he has a business in the South Bay.

8. Amendments to the Ground Transportation Trip Fee Structure





Mr. Martin said that this resolution would provide for full cost recovery for the Airport's costs related to Ground Transportation Operators. It covers the cost of the new Curbside Management Program that will be put in place on February 1.

This follows extensive hearings both before the Commission and with the various groups of operators that have been going on for well over a year. These hearings were on the Curbside Management Program, the fees, and the way in which the fees have been calculated.

The Curbside Management Program is being put in place to improve customer service, control congestion at the curb, and reduce illegal solicitation of passengers for commercial transportation.

This model was followed with other types of operators. In the 60s we put this kind of control in place for taxicabs. In the 80s we put it in place for door-to-door van companies. We are now extending it to cover all of the commercial ground transportation providers at the Airport, insuring a better level of service and a standard level of service for all passengers and companies operating at the Airport.

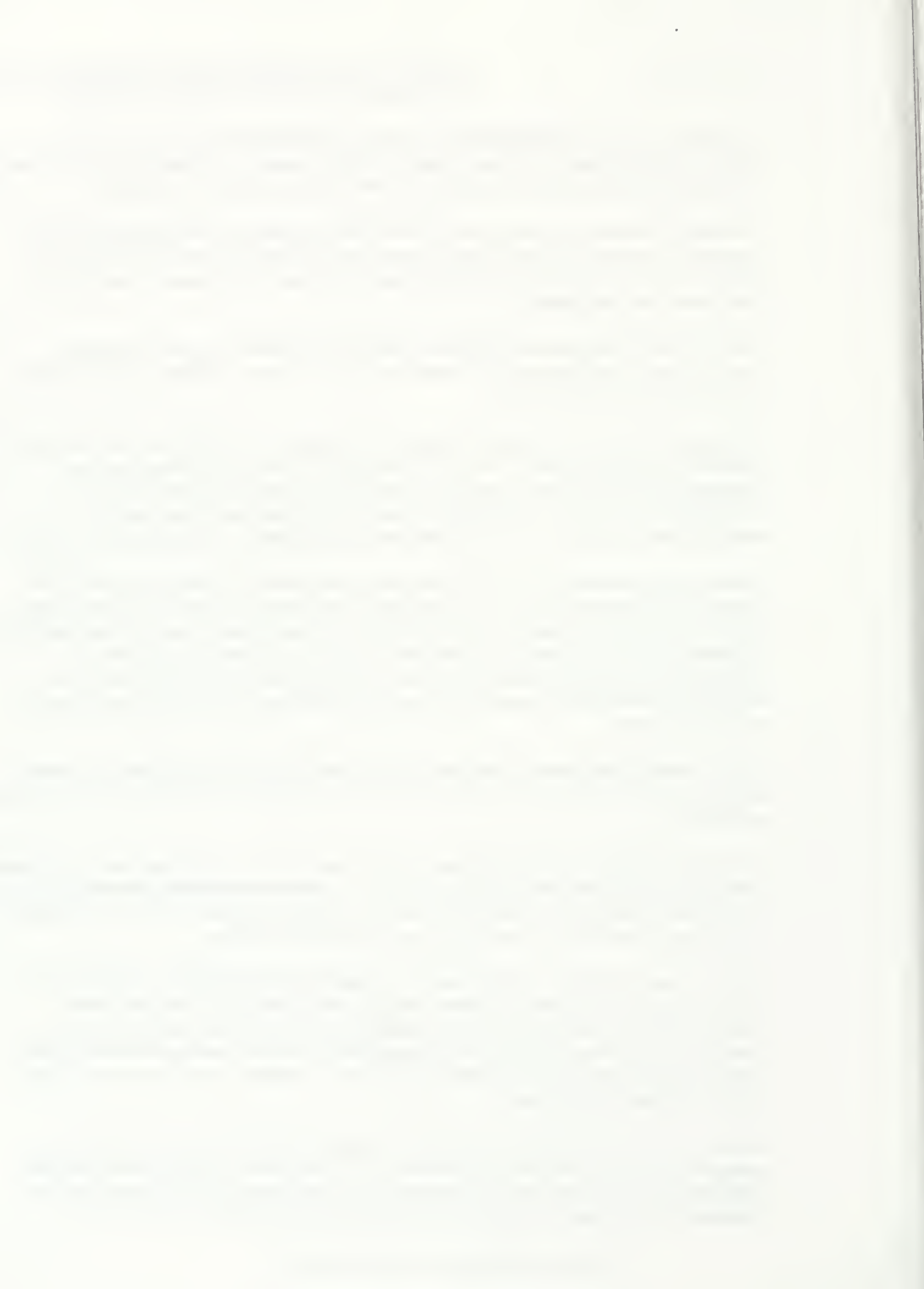
There are approximately 1,200 commercial ground transportation providers at the Airport. Approximately 30 taxicab companies, 680 permitted limousine companies, 13 scheduled bus companies, 15 on-demand bus companies, five off-Airport parking shuttles, about 215 charter bus operators. Each one of these companies is individually permitted. Because they handle close to 40% of our total passenger traffic, the control of their operations and the maintenance of a high level of service is very important.

The Curbside Management Program will achieve this and the new fee structure will achieve cost recovery, which is the standard we always try to achieve for all services we provide.

Mr. Perro explained that a three-year rate increase on ground transportation trip fees was approved by the Commission in 1997. The rate increase was projected to bring the Airport to about 66% of full cost recovery. The rate increase was implemented over a three year period so as not to over burden the industry.

Staff has used the same compensatory cost center methodology to compute the recommended rate increases before the Commission today. This is the same methodology that has been used to establish other Airport fees, such as aircraft parking fees, airline employee auto parking fees, water and sewage treatment fees, rental car facility fees, and a variety of other rates, charges and fees for the use of Airport facilities and services.

Since our last compensatory cost center analysis in 1997 we have initiated new programs and have experienced new costs. These costs include ordinary inflation, debt service associated with new construction of roadways at the Airport, and the Curbside Management Program. All industry providers will share in the cost



associated with inflationary increases, on the administration, operations and maintenance cost, and the cost of the debt service associated with the new roadway system. Only a select group of the beneficiaries of the Curbside Management Program will share in the cost. Those industry groups include taxis, limousines, scheduled buses and door-to-door on-demand type services.

We are currently seeing our collections representing 56% of our expenses. We are proposing to increase rates so that by the end of FY 2001/02 we will be able to collect revenues at 85% of cost recovery.

The associated fee increases have been computed on the basis of the share of vehicle trips. The trips associated with private vehicles on the roadways are not allocated to the ground transportation industry. The Airport and the airlines cover those costs.

The rate proposals before the Commission today have been allocated equitably to the industry.

Commissioner Strunsky assumed that the new International Terminal will be additional.

Mr. Perro responded that the new International Terminal will add \$700,000 to the annual cost. That is reflected in the rate proposals for July 1, 2000.

Commissioner Strunsky assumed that that would be two different loops.

Mr. Martin responded that all of the roadway costs have been lumped together as one cost center.

Commissioner Crayton noted that the limousines, scheduled buses and on-demand van fee structure have the largest incremental increase.

Mr. Perro responded that the weighting of the fees is based on the number of trips each industry takes. The share of the trips is the denominator of the calculation. The cost of the Curbside Management Program is allocated to each of the beneficiaries. Limousines account for about \$1.6 million of the Program, but they account for a lesser number of the share of the trips.

Mr. Martin added that the taxicabs already have a curb control program so staffing is already in place for the cabs. Because no program currently exists for limousines, a whole new set of costs enter into the calculations. It puts limousines on a par with taxicabs in paying their share of the costs. The costs are higher because there are fewer limousine trips over which to spread the costs.

Door-to-door vans administer their own curbside program. They pay their staff directly. That is now becoming an Airport cost.

Commissioner Ito asked if the various groups projected what their increased revenue would be. She hears that some of the smaller limousine companies will go out of business.



Mr. Martin said that extensive meetings were held with the limousine operators and not many complaints were heard on that concern. Limousines have the highest average fares. Taxis pay roughly 10% of their fee. It is a little less for limousines. Everyones fees are going up. The cost for garage patrons is going up.

Ms. Alice Sgourakis, Landside Operations noted that one important issue is to allow limousine operators to park in the garage. This will allow the operator to avoid paying the trip fee.

Commissioner Crayton asked when the last fee increase was implemented.

Mr. Perro responded that it was July 1, 1998. It went from \$1.35 to \$1.45. We had a three year schedule.

Mr. Martin added that we knew at that time that this increase was planned to reflect the new Curbside Management Program and the new roadways coming into place for the new International Terminal.

Commissioner Strunsky asked if limousines are restricted to certain areas of the garage.

Mr. Martin responded that spaces have been designated on the 5th floor of the garage near the elevator cores.

Ms. Sgourakis added that there are 26 designated spaces for stretch limousines. Sedan limousines can park anywhere on the 5th level of the garage.

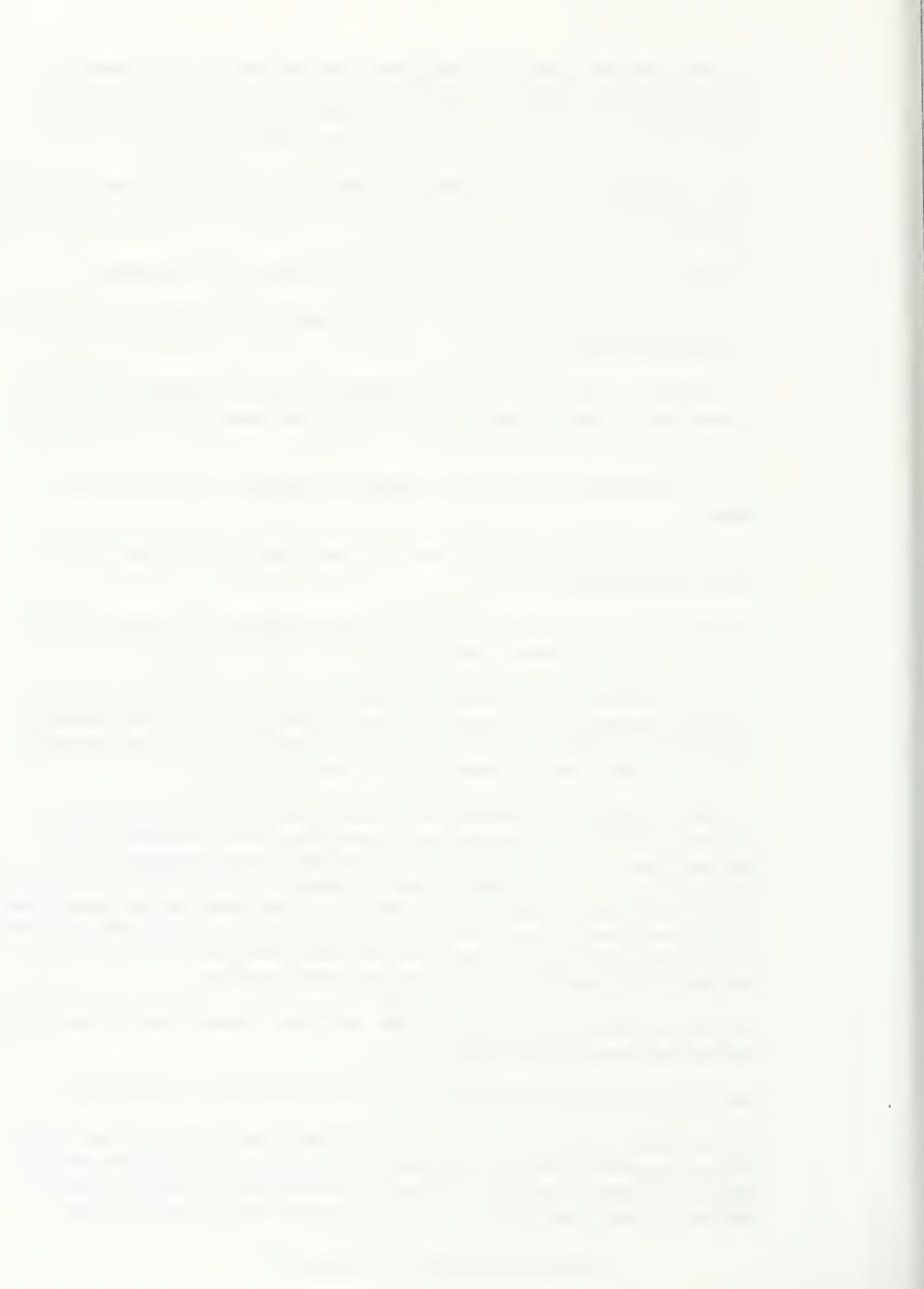
Mr. David Lipschultz, Vice President and Managing Director of Virgin Limousines made his comments to the Airport Commission based on the letter he submitted to the Commission dated December 17, 1999 (letter attached from David Lipschultz and the Fairmont Hotel, as referenced in Mr. Lipschultz's remarks.)

Mr. Martin explained that Marcus Perro, Deputy Director of Finance, led the calculations of the fees. He was once Finance Director with the responsibility to calculate these types of fees. He knows their basis. The costs relating to the staging areas for vans and taxicabs are incorporated into the fees for the vans and the taxicabs. The costs related to taxicabs dropping off passenger are incorporated into the fees as well. There is no way to collect from taxicabs when passengers are dropped off. Those costs are added into the pick-up fees. We assume that every cab picking up a passenger has also dropped off a passenger.

The goal is always full cost recovery. The exact basis of setting fees is based on the best practical way to collect them.

Commissioner Crayton assumed that with this fee we are only collecting 85%.

Mr. Perro added that we are collecting 100% of the Curbside Management Program. We are only collecting 85% of the entire cost of the Airport's facilities and services used by the ground transportation industry. The other cost elements include the debt service associated with the roadways, the administration, operations and





maintenance of the roadways, and police and Landside staff costs. One hundred percent of the Curbside Management Program has been allocated to all of the beneficiaries. In response to the allegation that numbers do not match the trips, the beneficiaries of the Curbside Management Program was the basis of allocating the cost of the Program itself. Limousines represent 26.7% of those trips so they have 26.7% of the cost. Taxis and other beneficiaries got a higher share of the costs.

Commissioner Strunsky noted that one of the allegations made was that these numbers were not made available at the last meeting. He would personally feel more comfortable if there were a meeting of the minds or an open disagreement.

Ms. Sgourakis responded that two weeks notice was given of that meeting to all ground transportation operators. Four separate meetings were held on that day and the trip fees were discussed in detail with the operators. At that time the Airport did not have a signed contract with the Curbside Management Program Manager but we had an estimate as to what we thought the total contract would run. Mr. Perro's office calculated the trip fees based on that estimate. They were \$3.90 for limousines, \$3.75 for door-to-door vans and scheduled bus operators, and \$3.25 for taxis. Those fees were presented at that meeting and those are the fees that are before the Commission.

Ms. Sgourakis added that there was a low attendance at that meeting, however, a notice was mailed out to all limousine operators (680+). Advanced notice was also given to the door-to-door vans and taxis as well.

Mr. Bill Lazar, Vice President of Luxor Cab Company said that they have had many meetings with the Airport regarding this issue. They have argued their points and found the Airport staff and the Director to be very cooperative.

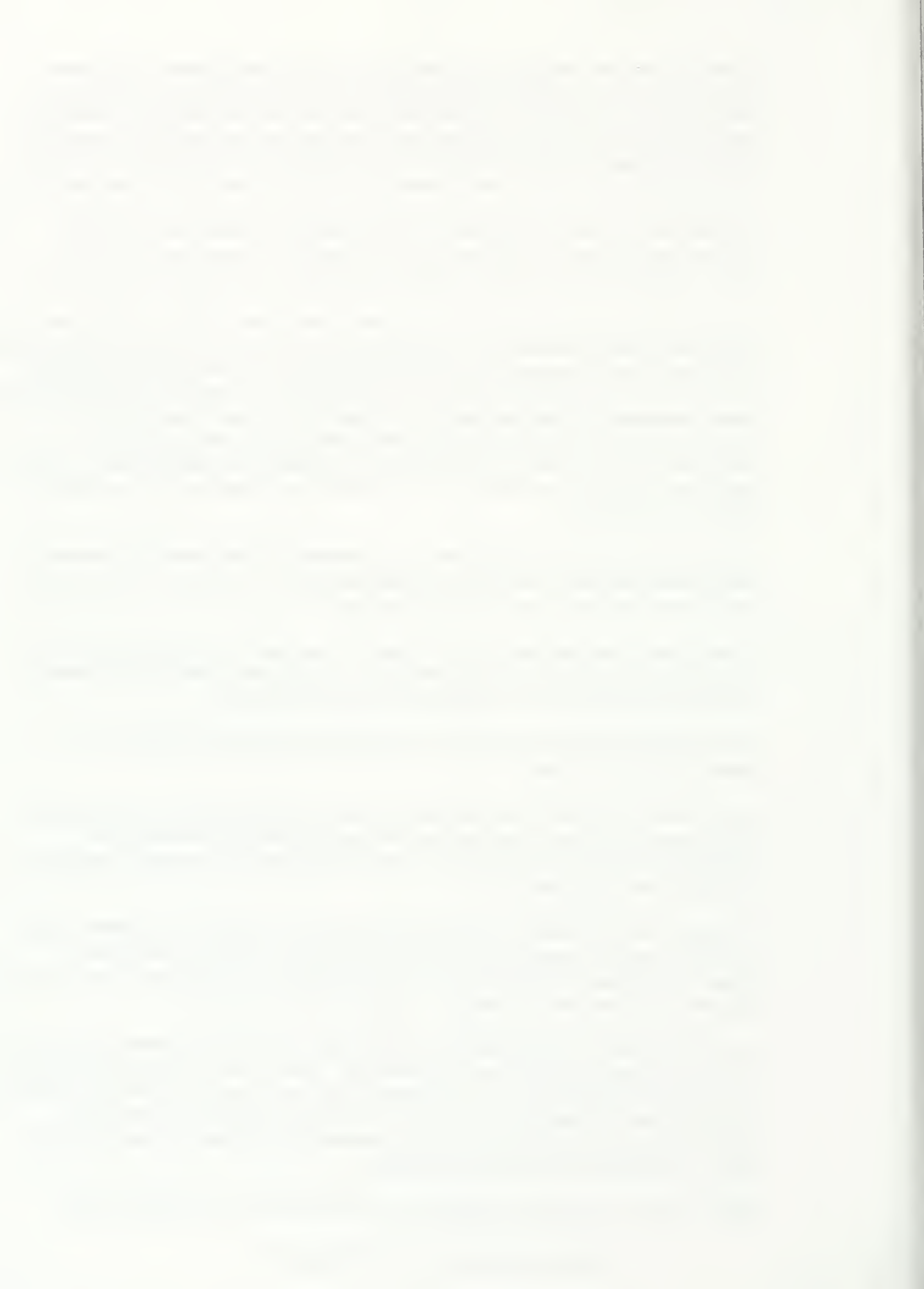
They recognize that the new terminal will bring more passengers to the curb, resulting in more taxi trips.

The Director is on point in providing quality service to passengers. His drivers feel that an increase has an impact on them but as long as they find relief from solicitation through these fees they will most likely be willing to accept it as long as their trip counts keep going up.

Mr. Nathan Duiiri, President and General Manager of Yellow Cab Cooperative said that no one wants to hear that their costs are going up. This is a fact of life. However, business is also going up. They appreciate all that the Airport has done to regulate and streamline the operation. They support the Airport.

Mr. Julio Bonilla, Lorries Airport Service, said that his company pioneered the door-to-door van industry at SFO over 25 years ago. This is a multi-million dollar industry in the State of California. It is a good transportation concept. With all of its benefits it is not without its headaches. The Airport has worked very hard to bring San Francisco a new era of service for the air traveling public, but it all collapses at the curb. The problems are common knowledge.

This increase in loop fees is viewed as a replacement cost. They have been





compelled by SFO authorities to participate in curb management programs. This is not an additional cost for the van industry. This insures that decent codes of behavior are practiced.

He cautioned the Commission and Airport staff to keep in mind that the door-to-door industry has shared-ride fares so there is a limit to what they can charge. There are inflationary costs that they cannot control, such as fuel and insurance. Their fares are currently \$12 per person. Most of the loads are one and two passenger loads. If the fare increases to \$15 or more, a couple would be compelled to choose another mode of transportation.

Commissioner Berman asked how many vans are in his fleet.

Mr. Bonilla responded that they have 28 vans in their fleet.

Mr. Eric Butler, General Manager, SuperShuttle said that he realized that the new structure of fees would bring about a little structure to the Curbside Management Program, something to better their service. This will not only benefit the Airport but the passenger as well. The increase of \$2.30 is a small price to pay

Mr. Fayes Al-Kayyali, Signature Sedan Service, said that Mr. Lipschultz already mentioned the issues he wanted to address. He added that unlike the vans and taxis, they will not be getting anything from the fee. They are just dropping passengers.

Ms. Sharon Salzberg said that she is a three car operator. She has been in business eight years. She paid over \$4,000 in loop fees last year. This increase puts her out of business. She has a contractual obligation with an airline. She handles all of the economy class passengers. She follows a manifest every day. She cannot raise her fees.

She does not believe that the Airport wants the image of limousine operators being interrogated at the curb in front of their passengers.

If these costs are implemented, she is out of business. The vans, shuttles and taxis are waiting for the limousine industry to reduce in size so that they can take their passengers.

There are many different minorities in this business, most of which are one and two car operators. They could not be present today because they are too busy trying to make a living. Please don't nail the final nail in their coffin.

Ms. Salzberg responded that her business is self-policed. They meet their passengers and treat them with respect. Cabs are under the jurisdiction of the City. Limousine passengers are pre-arranged. They are met at the gate, treated with respect, and assisted with their luggage.

A Curbside Management Program works for vans and cabs. She is a former cab driver. Those passengers are on a walk-up basis. The Airport is providing those industries with customers.



Limousine operators are being penalized with a \$3.90 fee to drop off, \$3.90 to pick up, plus parking. She has been in the business eight years. She earned her contract through her integrity. The Airport did not help her. She has no office staff. She is attempting to hire another driver. She won't be able to do that if her fees triple.

Single car operators cannot absorb this cost.

Commissioner Strunsky asked Ms. Salzberg if this was not a legitimate cost.

Ms. Salzberg responded that this cost cannot be passed on. She has a contractual agreement. Her passengers pay for their trips in the U.K. Those trips are already so expensive that her volume will go down. She loses either way. This is true for a lot of other operators.

Commissioner Ito noted that if the limousine operators parks in the garage, meets the passenger at the gate and then picks the passenger up at the curb, the operator is paying the parking fee and the trip fee.

Ms. Salzberg responded yes. She said that there is also a concierge service that calls the limousine up when the passenger clears Customs.

She dispatches her own vehicles. Involving another company means that the passenger changes hands several times. The passenger gets off the plane and is met inside Customs, brought outside to Curbside Management, and then handed off to the limousine.

Her service is very efficient. She can get her passenger in the car and out of the Airport quickly.

The Curbside Management Program is a good idea in principle, but not for limousines.

Limousines have to share their curb with the general public. Buses get a courtyard. Cabs get a huge amount of curb space. Vans have the entire upstairs. Limousines are given a very small amount of curb space.

Mr. Michael Turmini, AAA Corporate Transportation has been in the business for over 15 years and has 15 vehicles. His business has been good until the new fees and rules and regulations. Last year he paid almost \$24,000 in fees to the Airport. He cannot afford to have his fees doubled or tripled.

If he has to circle two or three times he cannot add another \$12 to his clients bill.

They experience difficulty with private cars and finding parking spaces on the 5th level of the garage.

He asked the Commission to keep their fees low and leave them alone to run their business.



Sixty percent of his business comes out of SFO. The remainder comes out of Oakland and San Jose. He pays \$40 a month to San Jose.

Mr. Sam, Nationwide Limousine said that this is going to damage his business.

Mr. Ramin Broumani, General Manager for CLS Transportation in San Francisco. They have 25 vehicles.

Their main issue with this program is the service that the clients will receive. Cab and shuttle passengers are looking for the first available vehicle. In the limousine industry reservations are made. Their passengers expect to be met at the gate. They expect full service.

There is no guarantee or mention of how this program will work. How long will their clients have to wait? Their passengers don't expect to wait more than one or two minutes. If their passengers can get in a cab and leave 10 to 20 minutes faster than a limousine, why would they pay for a limousine?

Not everyone wants to ride in a cab or a shuttle. Limousine passengers want a personalized, high end service.

They have no problem paying the fees, but they don't want this program shoved down their throats.

Some companies have personalized greeters because some clients don't want to wait for the car to be driven from the garage. They want to walk to the curb and be put in a car.

Mr. Bill Wheeler, Black Tie Transportation has 55 vehicles in their fleet. They are an East Bay company. They move between 150 to 200 people in and out of San Francisco every day.

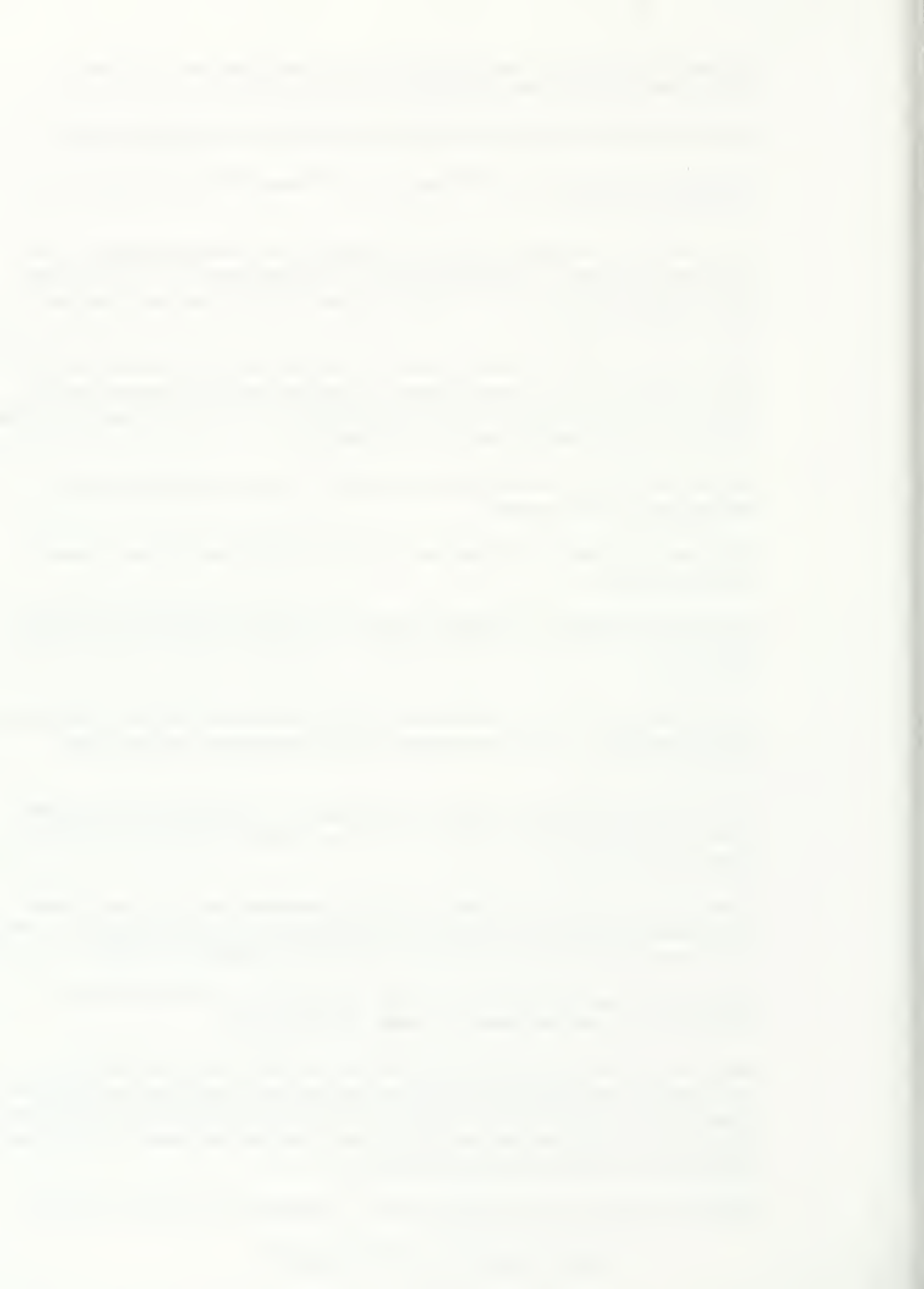
The Curbside Management Program is supposed to increase the level of customer service. Most people will pay a premium to have extra service and the limousine industry is proof of that.

What is the limousine industry getting out of this additional fee? They are notified 24-48 hours in advance of a meeting that is being held during their peak times. The only real notification that they have is from their own industry relationships.

They leave the meetings and then receive letters indicating that they were all in agreement with some new issue, and what a great thing it is.

Cabs have 300 feet of curb space right outside the doors of all major airlines. Limousines are being offered 50 feet of curb space on the lower level at the far end of the terminal. Their premium priced customers are being asked to walk with their luggage to the end of the terminal. This will not allow them to provide the high level of service their customers expect and deserve.

Only two cars will fit in the 50 feet of space. Limousines will be made to circle the



roadway at a cost of \$4.00 per loop.

Mr. Mark Gruberg, representing United Taxicab Workers, said that they were led to understand that this would not take place until at least January. They have not had adequate time to prepare. He asked that the Commission not come to any conclusions at this meeting until they have had an opportunity to present information to the Commission.

Cabs, on the average, pay over \$2,000 a year in fees. This is comparable to what the limousine industry is paying.

Unlike any other form of ground transportation, in the taxi industry it is the driver who pays the fees, not the company.

Taxi fees have gone up over 67% since 1993, when they were paying \$1.50. Raising the fee to \$3.50 will be a 133% increase in a period of eight years. Keeping in mind the revenue base of taxis as opposed to other modes of transportation, at \$3.50 that would represent more than 10% of the average ride to downtown San Francisco. When the driver's expenses are taken into account, this \$3.50 fee will represent close to 20% of the driver's net income for the trip.

The \$3.50 fee will be among the highest in the country for major airports. The \$2.50 fee at LAX is paid for by the passenger; at O'Hare the fee is \$2.00, half of which is paid by the passenger; Denver is \$2.50 and is paid for by the passenger; Logan is \$1.50 and is paid for by the passenger.

Landside indicates that the ground transportation fees now capture 56% of the cost. That will go up to 85%, with an eventual goal of 100%, meaning they are looking at further increases.

Private autos that do not park in the garage pay nothing. Private cars are the main users of curb space and the least efficient means of getting passengers to and from the Airport.

Commissioner Berman asked Mr. Gruberg how many drivers he represents.

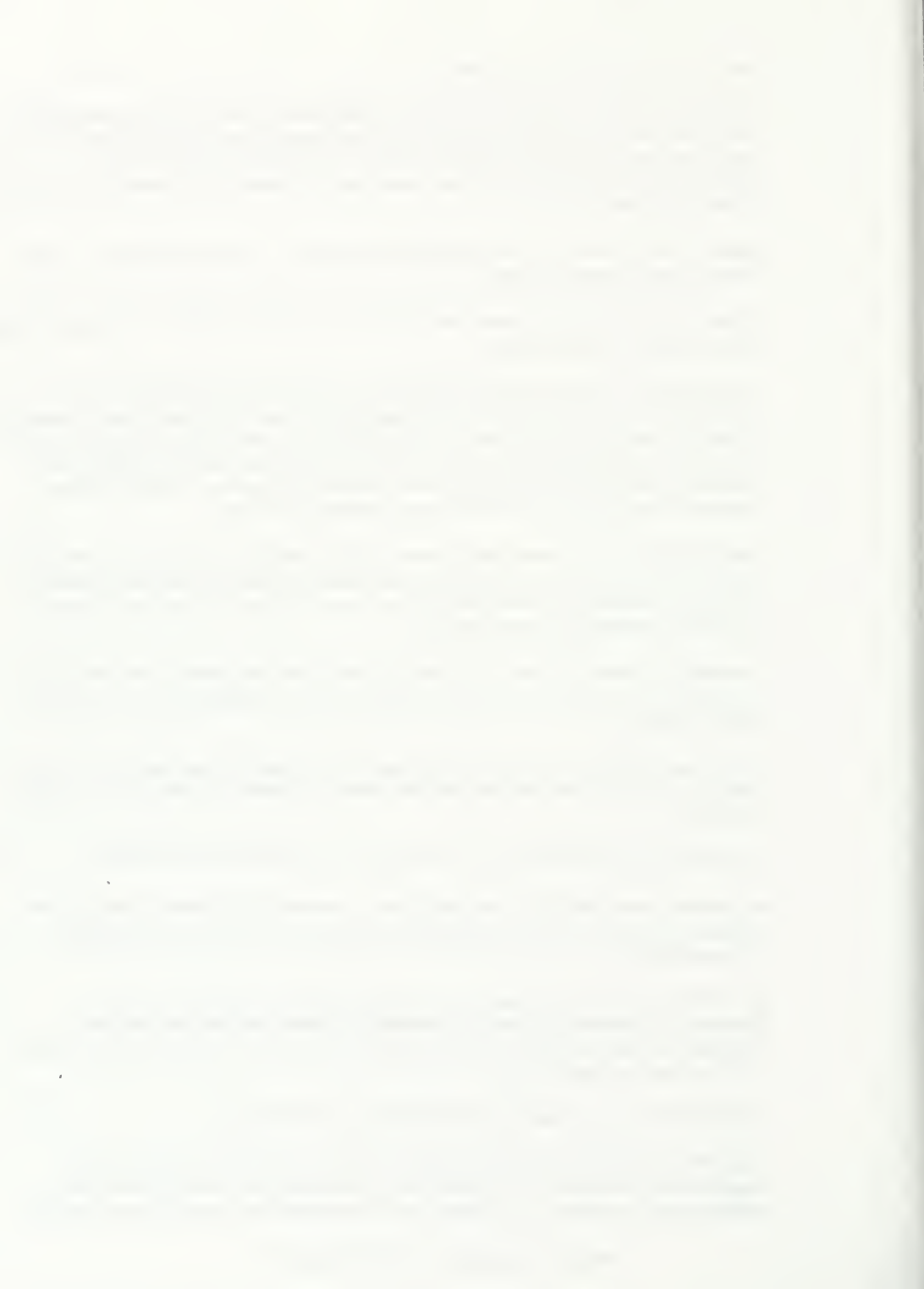
Mr. Gruberg responded that his organization represents 300 drivers. They do not represent drivers for collective bargaining purposes. They are a union affiliated advocacy group.

Mr. Martin said that these fees are a percent of fare revenue for each type of operator. Taxicabs will pay approximately 5% of their average fare revenue. Taxicabs only pay one way. Limousines are about 8%, on-demand vans are about 10%, scheduled buses are 6%.

On-demand vans pay the highest percentage of fare revenue.

In the 80s the off-Airport hotel shuttles and door-to-door van industry were the biggest cause of congestion at the Airport. The Airport was facing gridlock with these types of operators. A curbside management program had to be put in place.







It was a basic change in the way they had to operate. The same thing was done to San Mateo cabs when they were permitted and made to pay a per trip fee. The taxis have been under this type of operation for over 30 years. As we continue to grow and congestion increases we had to do this to all operators. The limousines were one operator without a designated zone area. There are problems when police service aids have to push drivers along, inhibiting a limousine from connecting with a passenger. This is the same problem we used to have with door-to-door vans and the San Mateo cabs. By having a designated zone with a curbside monitor helping to match passengers with their limousines we should improve service and reduce the problems being experienced with the police service aids today.

The proposal is equitable. All companies will be subject to fees and the same type of cost recovery system, all will have higher fees, all will have a designated zone.

Some limousine operators use the garage. That is still an option.

Commissioner Berman asked how many people attended the meeting in August.

Mr. Martin believed that 24 companies were in attendance at the August 13 meeting.

Commissioner Strunsky said that we don't really know how this will work. He asked that the resolution be amended so that this will be revived before July 1.

Mr. Martin said that it will be reasonable for the Commission to approve the fees for February 1, 2000. Those fees will remain in place until staff brings back another proposal for a fee increase. This can be reevaluated in the spring with a report to the Commission. If there has been a change in the percentage and the cost allocation, adjustments can be made.

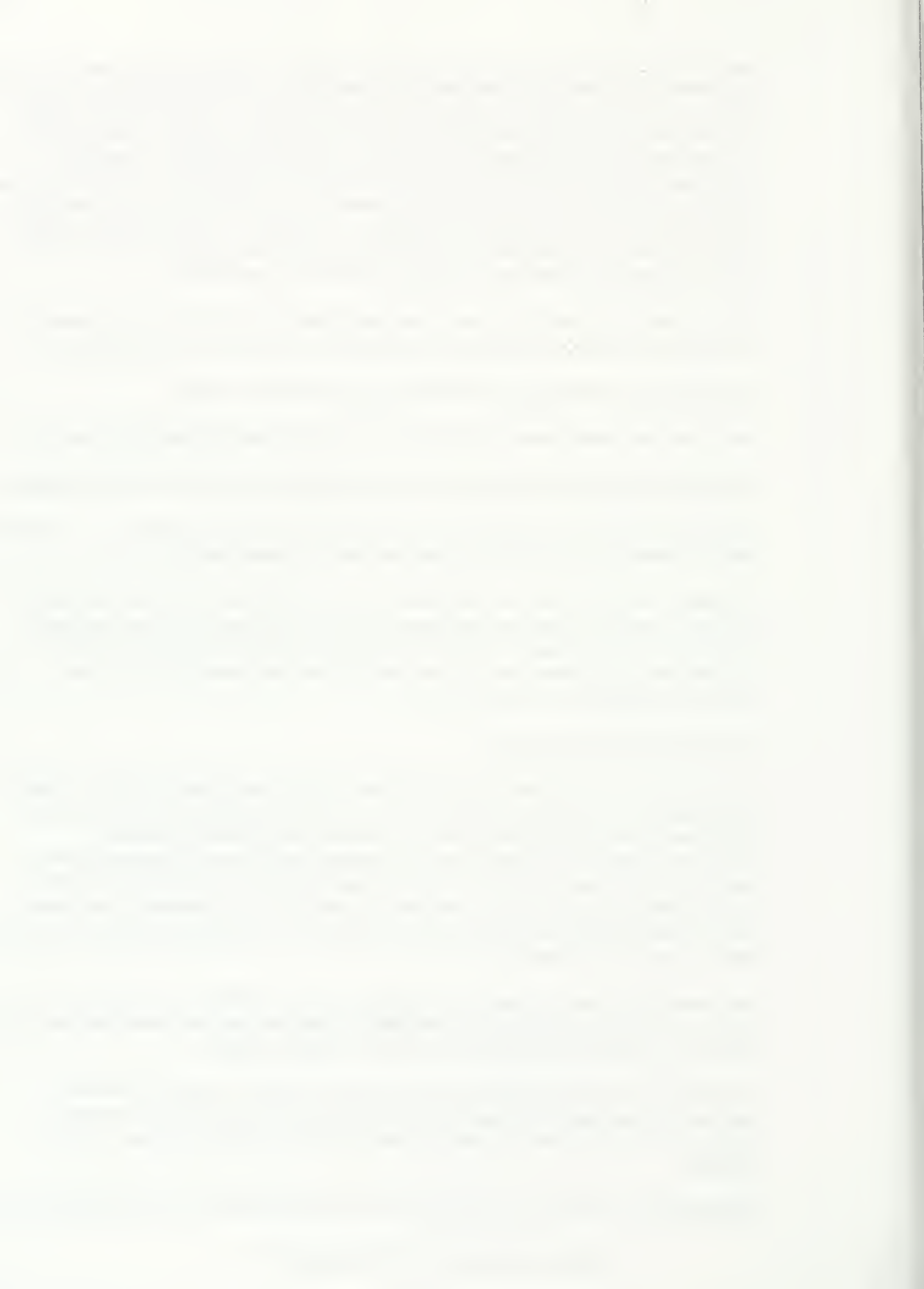
Commissioner Strunsky agreed.

Commissioner Crayton thanked the members of the ground transportation industry for attending. It is the Airport's policy to hear from its customers, consumers and those that do business at the Airport. A Curbside Management Program is necessary, however, the Airport wants a program that will meet everyone's needs. The Commission has heard the concerns regarding the fee schedule and those concerns will be taken to heart. We want to revisit this in six months to see where we are. The Airport wants to work with you and the Curbside Management team so that it is a win win for everyone.

The underlying costs that were delineated do support the fees. However, we do want to revisit this and find other ways that the fees can be incorporated so that your lives can be made easier, particularly for the smaller operator.

Commissioner Mazzola agreed with the six month review. He also hoped that solutions can be found to provide relief regarding the fee for circling. Perhaps a "circle pass" can be provided when a driver is forced by a police officer to circle roadway.

Regarding the parking issue, perhaps they can park the first hour for free while they



wait for their passengers.

Mr. Martin said that those suggestions will be evaluated. He felt that improvements can be achieved with the Curbside Management Program. He believed that fewer drivers will be waived around by police officers. He knows limousine drivers have been forced to circle and incur another fee while their passenger waits at the curb. That problem is less likely to occur with a designated zone. We will look into the option of a "chit" or "pass" provided by the curbside monitor.

Commissioner Strunsky proposed modifying the resolution accepting the fees for February and revisiting this before the fees outlined for July 2000 are imposed.

Mr. Martin said that the fees for July 2000 and July 2001 will be deleted. A resolve clause will be added stating that the Director will present a report to the Commission before further increases are implemented.

Commissioner Crayton said that she wanted to make certain that something will be done regarding the circling.

Ms. Alice Sgourakis, Landside Operations added that the 50' zone is too short. Space adjacent to these zones will be striped so that limousines will be able to use the additional space during peak periods.

Commissioner Strunsky suggested meeting with this group during the next six months.

Ms. Sgourakis responded that once the program begins Landside will meet with each of the effected groups to obtain feedback on how it can be improved.

Commissioner Crayton suggested that the operators provide their concerns in writing.

Commissioner Ito thought that 4:00 PM might be a difficult time for the smaller operators to attend.

Ms. Sgourakis responded that not all meetings are held at 4:00 PM. The times are varied.

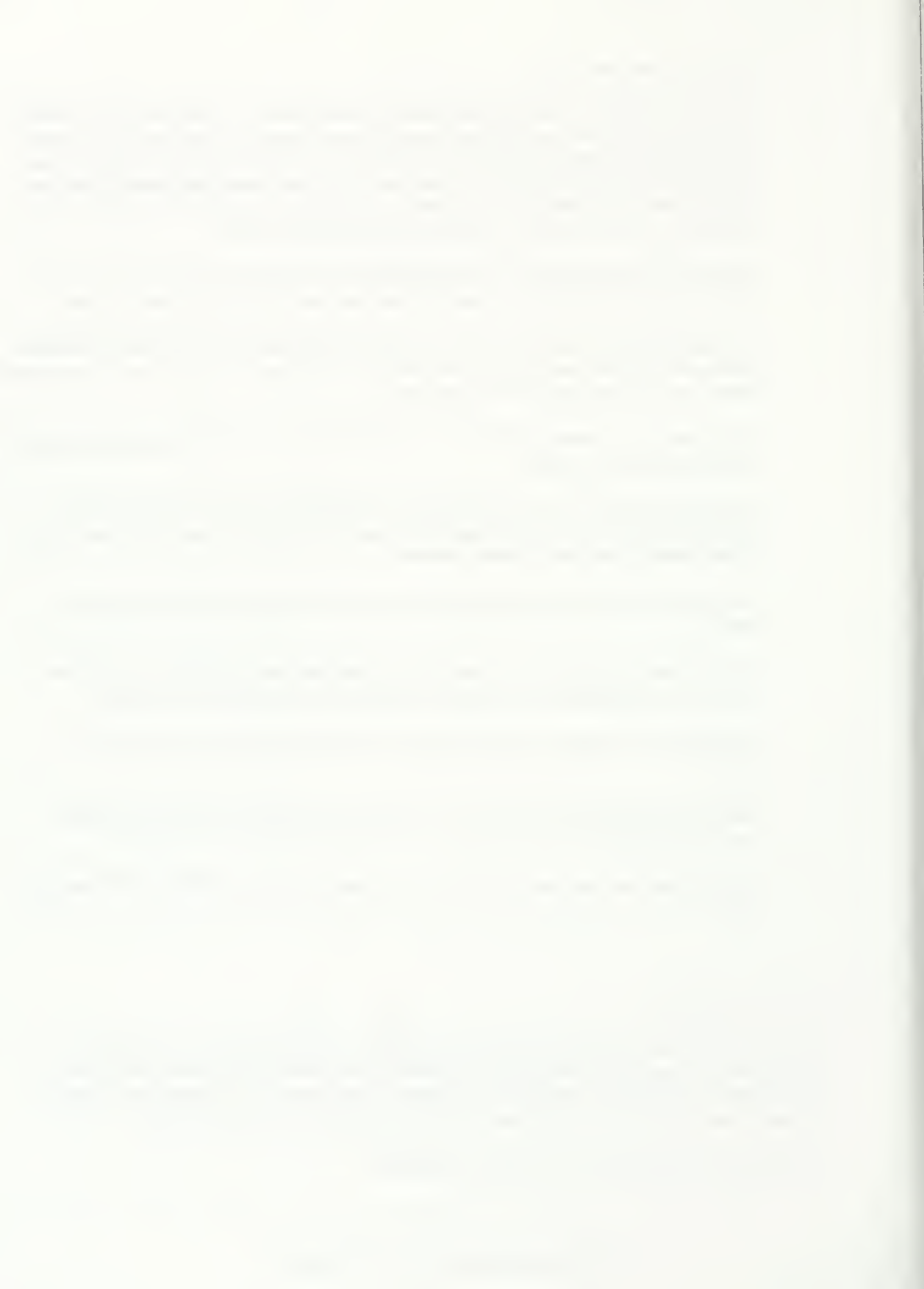
\* \* \*

#### H. NEW BUSINESS:

This is the "Public Comment" section of the calendar. Individuals may address the Commission on any topic within the jurisdiction of the Airport Commission for a period of up to three (3) minutes. Please fill out a "Request to Speak" form located on the table inside the entrance to Room 400 and submit it to the Commission Secretary.

There were no requests from the public to speak.

\* \* \*




I. CORRESPONDENCE:

There was no discussion by the Commission.

\* \* \*

K. ADJOURNMENT:

There being no further calendared business before the Commission, the meeting adjourned at 11:05 AM.

  
Jean Caramatti  
Commission Secretary





Virgin Limousines

Virgin Limousines (California) LLC  
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San Francisco, CA 94109  
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SITA: SFOVLVS

**REVISED Friday, December 17, 1999**

**AN OPEN LETTER TO MAYOR BROWN,  
THE AIRPORT COMMISSION, THE AIRPORT STAFF, AND THE MEDIA:  
FOR ITEMS TO BE VOTED BY THE COMMISSION THIS TUESDAY!**

This letter is written by Virgin Limousines and our 30 employees to express our collective opposition and alarm with the detrimental effects that the 5.9 Million dollar Curbside Management program will have on helping to destroy the limousine industry at San Francisco Airport. We find the proposed plan and rules to be patently unfair, restrictive, and discriminatory against private car (limo) transportation companies.

Virgin Limo operates 12 vehicles from our San Francisco headquarters. Each vehicle is licensed to operate at SFO. We provide our clients with 50-200 private car trips to/from Bay Area airports each day from all points throughout the Bay Area. Our drivers are trained professionals who participate in comprehensive driving safety programs, customer service training, and a thorough random drug-screening program.

Our clients represent the most valued customers that SFO has: frequent business travelers. They come from all sectors, including business leaders, celebrities, the general public, and members of governments from throughout the Bay Area and around the world. They have chosen our services as their primary ground transportation at SFO for the convenience, safety, and professionalism that we represent. They have chosen to avoid the reliability hassles and safety issues that other forms of transportation (taxis, vans, etc) represent. Many of our clients live in rural suburbs of the Bay Area not served by taxis.

Our Airline (Virgin Atlantic Airways) provides complimentary private cars for business class (*Upper Class*®) passengers from anywhere in California. Each day as many as 50 cars, including a substantial number of minority and women subcontractors, serve these passengers. Over 100 subcontractors make part of their living serving our flight from throughout Northern California each month. Many will be forced out of business by these increased fees, which either must be passed on to the consumer, or absorbed by the operator, where profit margins are already hard pressed to hit 10%. Higher costs and lessened services are a perfect way to lose clients. In addition, unlike buses, taxis, and vans, the airport has done nothing to provide us with clients. Our entire client base has been developed outside the airport. We operate on a pre-arranged basis, and receive no on-demand benefit from this airport. A few years ago, the landside operations department at SFO put the nails on the coffin to a successful onsite/on demand operation that had been around for over two decades.

Challenges imposed by SFO's new curb management policies are a disservice to the community and threaten the financial viability of successful ground transportation companies. The conditions imposed on Limousine/Sedan services will restrict our industry from fairly competing with other ground transportation providers.

1. Under the airport's new plans, sedans and limousines will be charged \$3.90 for every loop the vehicle makes on the airport roadways. A trip to and from the airport is \$7.80 or more, not including the charge for parking the limo in the Garage. Taxi's will pay \$3.00 to pick-up, and have free parking in the garage. Taxis will continue to drop off for free, but we will continue to pay and in the future even more than now.
2. Limos/Sedans represent approximately 3% of the ground transportation at SFO, but the fees imposed on our companies represent nearly 30% of the roadway fees collected at the airport. These fees allegedly will be used to finance the new 5.9 Million dollar curbside management program. Originally, when roadway use fees were first initiated a decade ago, it was to finance the information booth budget, but somewhere along the way that seems to have changed. The loading area for





Limos/sedans is to be reduced to a 50 foot section of curb at the far end of each terminal. The walk could be longer than the length of a football field to get to the designated curb on the lower level. The airport staff is fully aware of the damage this will do to our client base, because it will be much easier to get a taxi at the airport than to call a limo around. With an allowable curbside boarding area that will fit only 2-3 cars per terminal, how can the airport realistically expect to accommodate the thousand plus cars licensed to operate at SFO? Taxis are given over 1000 feet in the terminals with their own expanded islands. For over 30 years, we have shared the white curb on both levels of SFO with the general public, and endured those challenges. We have always found this to be acceptable. Now we are told that we will not be allowed to pick-up any passengers on the upper level. Our clients and waybills will be subject to questioning and inspection by the new Curbside management staff. We have concerns regarding privacy, competitive business practices, and client information, among other issues.

3. Some operators believe that SFO Landside would like to have their own limousine company as part of their long range goals.
4. The San Francisco (airport) Police have been charged with enforcing rules and regulations to maintain traffic flow. They have been short staffed for years, and we were told that at one point between the Police and the Ground Transportation Public Service Officers (whitecaps) there was a shortage of 60 positions. If the San Francisco Airport Police were given any portion of this 5.9 million, and given a say in the traffic engineering studies, the perceived problems could have been easily managed and perhaps even eliminated.
5. It is interesting to note that as the limo companies go out of business, and the taxi volume increases, that fewer taxis will be found on the streets of San Francisco, because the taxicab drivers will continue to prefer the easy and more lucrative airport trips.

We respectfully request that San Francisco International Airport puts an immediate stop to these discriminatory plans. We do not want to be restricted from using both upper and lower white zones on the inner curb, as we have for over 30 years. We do not want to be charged more than other ground transportation operators are. We want to get our fair share of what we pay. If we are forced to pay \$2 million a year in loop fees, then we should have a fair percentage of free parking, standby, and staging areas. The Airport Commission is letting the Landside management staff destroy the convenience and safety that the public demands. This is the culmination of a decade long strategy by Landside Operations to decimate and destroy our industry. The curbside management program is simply the Trojan horse covering their actions. Meetings conducted by landside have been a sham, with less than 5% of the industry able to attend. Vague generalities were discussed, fingers have been pointed, but it has never been an honest or open forum. Our industry can document years of abuse and discrimination by certain former Airport officials, as well as conflicts of interest.

We must remind the Airport Commission and the Mayor that our clients are some of your closest friends and most respected members of the community. We know they will not be happy with roadway use fees more expensive than the Golden Gate Bridge, and the most expensive Airport in the entire civilized world for limo operators. SFO's roadways are not the eighth wonder of the world. It is time for a complete re-evaluation of these proposed rules, regulations, and fees.

Sincerely,

David J. Lipschultz  
Vice-President and Managing Director



The following comparison is based on information released on December 17<sup>th</sup>. Until December 17<sup>th</sup> Fees had not been released to the public. As usual, the Airport Landside staff is intent on keeping these figures internal until a few days before the December 21<sup>st</sup> Commission meeting. The staff claims they have had meetings with the industry, but are careful to never put anything in print until it is too late to change. The proposed curbside allocations were drawn before July, but not released to the industry until late October. This is another clear indication of deception and bad faith that the industry has endured for years.

#### **SAN FRANCISCO TAXICABS:**

##### **CURRENTLY:**

FEE TO DROP OFF -	NO FEE CHARGED
ALLOWED TO PARK IN GARAGE -	FREE
ALLOWED TO PICK-UP	\$2.50
AIRPORT PROVIDES CLIENTS/CUSTOMERS	YES
CURBSIDE SPACE PROVIDED	HUNDREDS OF FEET

##### **FEBRUARY 2000**

FEE TO DROP OFF -	NO FEE CHARGED
ALLOWED TO PARK IN GARAGE-	FREE
ALLOWED TO PICK-UP	\$3.00
AIRPORT PROVIDES CLIENTS	YES
CURBSIDE SPACE PROVIDED	HUNDREDS OF FEET - ENLARGED

#### **SHUTTLE VANS:**

##### **CURRENTLY:**

FEE TO DROP OFF -	NO FEE CHARGED
ALLOWED TO PARK IN STAGING AREA	FREE
ALLOWED TO PICK-UP	\$1.45
AIRPORT PROVIDES CLIENTS	YES
CURBSIDE SPACE PROVIDED	HUNDREDS OF FEET

##### **FEBRUARY 2000**

FEE TO DROP OFF-	NO FEE CHARGED
ALLOWED TO PARK IN STAGING AREA	FREE
ALLOWED TO PICK-UP	\$1.60 -2.65
AIRPORT PROVIDES CLIENTS/CUSTOMERS	YES
CURBSIDE SPACE PROVIDED	HUNDREDS OF FEET

#### **LIMOUSINES**

##### **CURRENTLY:**

FEE TO DROP OFF -	\$1.45
MUST PARK ON ROOF OF GARAGE	\$3.00 PER HOUR (\$1. FOR 20 MIN)
(ONLY GROUND TRANSPORTATION FORM NOT GIVEN FREE STAGING AREA)	
ALLOWED TO PICK-UP	\$1.45
AIRPORT PROVIDES CLIENTS/CUSTOMERS	NO
CURBSIDE SPACE PROVIDED	SHARE WHITE ZONE WITH PUBLIC

##### **FEBRUARY 2000:**

FEE TO DROP OFF- \$2.65 for 5 MONTHS THEN	\$3.90 (JULY 2000)
MUST PARK ON ROOF OF GARAGE	\$3.00 PER HOUR
(ONLY GROUND TRANSPORTATION FORM NOT GIVEN FREE STAGING AREA)	
ALLOWED TO PICK-UP \$2.65 FOR 5 MONTHS THEN \$3.90 PER ROADWAY LOOP	
AIRPORT PROVIDES CLIENTS/CUSTOMERS	NO
NO CURBSIDE SPACE PROVIDED	<b>50 FOOT ZONE DOWNSTAIRS ONLY AT FAR END OF TERMINAL - UP TO 500 FOOT WALK FOR CLIENTS (LONGER THAN A FOOTBALL FIELD)</b>





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December 19<sup>th</sup>, 1999

Mr. David J. Lipschultz  
Vice-President and Managing Director  
Virgin Limousine  
2160 Van Ness Avenue  
San Francisco, CA 94109

Dear David:

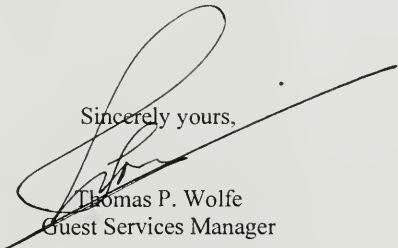
I was shocked to learn of the changes in airport fees and procedures vis-à-vis limousine service. It is clear to me that this is discriminatory, and as usual with such things, John Q. Public winds up suffering, and paying for the privilege.

To ask our guests to pick up the slack, which would certainly be substantial, is something that we simply cannot see happening. We are also very concerned about the inconvenience factor, which goes up dramatically with the reconfiguration of pickup/drop-off zones at SFO.

I can only hope that the powers that be will see how unfair and self-defeating this proposal is, and come to their senses. There are so many alternatives that can produce additional revenue without singling out one sector of the industry as is now being put forward.

You can be sure you have our support in opposing this measure; please let me know how things turn out.

Sincerely yours,



Thomas P. Wolfe  
Guest Services Manager

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